HANPIN ELECTRON CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2024 AND 2023

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

HANPIN ELECTRON CO., LTD.

DECEMBER 31, 2024 AND 2023 CONSOLIDATED FINANCIAL STATEMENTS

AND INDEPENDENT AUDITORS' REPORT

TABLE OF CONTENTS

Contents		Page

Hanpin Electron Co., Ltd.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2024, pursuant to Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises, the companies that are required to be included in the consolidated financial statements of affiliates, are the same as those required to be included in the consolidated financial statements under International Financial Reporting Standards 10. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiaries. As a result, Hanpin Electron Co., Ltd. and subsidiary are not required to prepare consolidated financial statements of affiliates.

Hereby declare,

Hanpin Electron Co., Ltd.

February 21, 2025

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Hanpin Electron Co., Ltd.:

Opinion

We have audited the accompanying consolidated balance sheets of Hanpin Electron Co., Ltd. and subsidiaries (the "Group") as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

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

Key audit matters for the Group's 2024 consolidated financial statements are stated as follows:

Cut-off of export revenue

Description

Refer to Note 4(27) for the accounting policies on revenue recognition and Note 6(16) for details of operating revenue.

The Group's sales primarily come from exports. The transaction terms involve numerous manual processes and judgments, and it is necessary for each sale to be individually confirmed to ascertain whether control of the goods has been transferred to the customers. Given the risk of material misstatement from improper revenue recognition for transactions occurring around the balance sheet date, which required significant auditor attention, we considered the cut-off of export revenue a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Obtained an understanding of and assessed the accounting policies on operating revenue.
2. Obtained an understanding of and assessed the effectiveness of internal controls over the cut-off of sales revenue, inspected the transaction terms in the contracts and tested the effectiveness of internal controls regarding shipping and billing procedures.
3. Performed cut-off tests on export revenue recognised during a certain period around the balance sheet date to assess whether sales were recognised in the proper period.

Impairment of inventory

Description

Refer to Note 4(10) for the accounting policies on inventory, Note 5 for the uncertainty of accounting estimates and assumptions related to inventory valuation, and Note 6(5) for details of inventory.

The Group's subgroup, Hanpin (BVI) International Co., Ltd. and its subsidiaries, are the professional ODM manufacturers in the entertainment audio industry, manufacturing consumer audio products for personal audio-visual entertainment and audio products for professional DJs. These products require a variety of raw materials and supplies, including electronic parts, metals, plastic raw materials and packaging materials. When the customers reduce orders or request to change product specifications to develop new products, there is a higher risk of incurring inventory valuation losses or having obsolete inventory due to obsolescence in materials prepared for use in the former product specifications. For regular inventories, the Group recognises inventories at the lower of cost and net realisable value; for inventories aging over a certain period and individually identified as obsolete and damaged, the Group individually provides for losses based on net realisable value. The aforementioned allowance for inventory valuation losses is mainly from inventories individually identified as obsolete or damaged. Given that the items are numerous and human judgement is often involved in individually identifying obsolete or damaged inventories, which is the area requiring professional judgement throughout the audit process, we considered the impairment of inventory a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Assessed the reasonableness of policies and procedures used for allowance for inventory valuation loss, including the classification of inventories in determining the net realisable value, the sources of historical data of inventory clearance and discount range, and the method of determining whether the inventory is obsolete.

2. Obtained an understanding of the warehouse management processes, reviewed the annual physical inventory count plan, and participated in the annual inventory count in order to assess the effectiveness of the procedures used by the management to identify and manage obsolete inventories.
3. Verified the systematic logic used in the inventory aging report to ascertain the consistency of the information in the report with its policies.
4. Tested the inventory impairment report to evaluate the adequacy of allowance for inventory valuation losses.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of Hanpin Electron Co., Ltd. as of and for the years ended December 31, 2024 and 2023.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Tien, Chung-Yu

Independent Accountants

Lin, Tzu-Shu

PricewaterhouseCoopers, Taiwan
Republic of China
February 21, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors’ report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.
As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

HANPIN ELECTRON CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2024 AMOUNT	%	December 31, 2023 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 654,346	17	$ 861,419	25
1110	Financial assets at fair value through profit or loss - current	6(2)	277,891	7	357,520	10
1136	Financial assets at amortised cost - current	6(1)(3)	1,015,659	26	710,928	21
1170	Accounts receivable, net	6(4) and 12	495,039	13	290,209	8
1200	Other receivables		18,370	1	14,752	-
1220	Current tax assets	6(23)	48	-	1,044	-
130X	Inventories	5 and 6(5)	360,129	9	381,530	11
1410	Prepayments		35,794	1	26,677	1
11XX	**Total current assets**		2,857,276	74	2,644,079	76
	Non-current assets					
1535	Financial assets at amortised cost - non-current	6(1)(3) and 8	458,279	12	233,639	7
1600	Property, plant and equipment	6(6) and 8	341,213	9	353,303	10
1755	Right-of-use assets	6(7)	32,363	1	30,077	1
1760	Investment property - net	6(9)	167,437	4	167,437	5
1780	Intangible assets		787	-	1,150	-
1840	Deferred income tax assets	6(23)	9,273	-	24,326	1
1915	Prepayments for equipment	6(6)	10,470	-	856	-
1920	Guarantee deposits paid		399	-	382	-
1990	Other non-current assets		833	-	1,249	-
15XX	**Total non-current assets**		1,021,054	26	812,419	24
1XXX	**Total assets**		$ 3,878,330	100	$ 3,456,498	100

(Continued)

HANPIN ELECTRON CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2024 AMOUNT	%	December 31, 2023 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(10)	$ 30,000	1	$ 20,000	1
2130	Contract liabilities - current	6(16)	67,537	2	50,676	2
2150	Notes payable		45	-	142	-
2170	Accounts payable		377,043	9	305,993	9
2200	Other payables	6(11)	276,232	7	205,987	6
2230	Current income tax liabilities	6(23)	69,562	2	83,836	2
2280	Lease liabilities - current		1,046	-	-	-
21XX	**Total current liabilities**		821,465	21	666,634	20
	Non-current liabilities					
2570	Deferred income tax liabilities	6(23)	308,127	8	292,866	8
2580	Lease liabilities - non-current		1,013	-	-	-
2640	Net defined benefit liability - non-current	6(12)	12,721	1	24,198	1
2645	Guarantee deposits received		1,589	-	2,278	-
25XX	**Total non-current liabilities**		323,450	9	319,342	9
2XXX	**Total liabilities**		1,144,915	30	985,976	29
	Equity attributable to owners of parent					
	Share capital					
3110	Common stock	6(13)	799,994	20	799,994	23
3200	Capital surplus	6(14)	34,001	1	33,885	1
	Retained earnings	6(15)				
3310	Legal reserve		560,249	14	525,342	15
3320	Special reserve		199,263	5	199,263	6
3350	Unappropriated retained earnings		1,150,965	30	983,935	28
3400	Other equity interest		(11,057)	-	(71,897)	(2)
3XXX	**Total equity**		2,733,415	70	2,470,522	71
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	**Total liabilities and equity**		$ 3,878,330	100	$ 3,456,498	100

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

HANPIN ELECTRON CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

			Year ended December 31			
			2024		2023	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(8)(16)	$ 3,177,581	100	$ 2,461,954	100
5000	Operating costs	6(5)(7)(12)(21)(22) and 7	(2,403,837)	(76)	(1,803,977)	(73)
5900	Net operating margin		773,744	24	657,977	27
	Operating expenses	6(7)(9)(12)(21)(22), 7 and 12				
6100	Selling expenses		(50,303)	(1)	(42,284)	(2)
6200	General and administrative expenses		(185,017)	(6)	(155,661)	(6)
6300	Research and development expenses		(121,186)	(4)	(99,275)	(4)
6450	Expected credit gains		-	-	7,042	-
6000	Total operating expenses		(356,506)	(11)	(290,178)	(12)
6900	Operating profit		417,238	13	367,799	15
	Non-operating income and expenses					
7100	Interest income	6(3)(17)	55,414	2	36,074	1
7010	Other income	6(8)(18)	11,774	-	11,828	-
7020	Other gains and losses	6(2)(19) and 12	57,687	2	39,834	2
7050	Finance costs	6(7)(20)	(672)	-	(548)	-
7000	Total non-operating income and expenses		124,203	4	87,188	3
7900	**Profit before income tax**		541,441	17	454,987	18
7950	Income tax expense	6(23)	(122,372)	(4)	(103,860)	(4)
8200	**Profit for the year**		$ 419,069	13	$ 351,127	14
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plan	6(12)	$ 8,582	-	($ 2,567)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(23)	(1,716)	-	513	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		76,050	2	(16,378)	-
8399	Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(23)	(15,210)	-	3,275	-
8300	**Total other comprehensive income (loss) for the year**		$ 67,706	2	($ 15,157)	-
8500	**Total comprehensive income for the year**		$ 486,775	15	$ 335,970	14
	Profit attributable to:					
8610	Owners of the parent		$ 419,069	13	$ 351,127	14
	Comprehensive income attributable to:					
8710	Owners of the parent		$ 486,775	15	$ 335,970	14
	Earnings per share (in dollars)	6(24)				
9750	Basic		$ 5.24		$ 4.39	
9850	Diluted		$ 5.16		$ 4.32	

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

HANPIN ELECTRON CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

	Notes	Share capital - common stock	Capital Reserves: Additional paid-in capital	Capital Reserves: Donated assets received	Retained Earnings: Legal reserve	Retained Earnings: Special reserve	Retained Earnings: Unappropriated retained earnings	Other equity: Financial statements translation differences of foreign operations	Total equity
For the year ended December 31, 2023									
Balance at January 1, 2023		$ 799,994	$ 33,594	$ 232	$ 493,893	$ 199,263	$ 866,310	($ 58,794)	$ 2,334,492
Net income for the year ended December 31, 2023		-	-	-	-	-	351,127	-	351,127
Other comprehensive loss for the year ended December 31, 2023		-	-	-	-	-	(2,054)	(13,103)	(15,157)
Total comprehensive income (loss) for the year ended December 31, 2023		-	-	-	-	-	349,073	(13,103)	335,970
Distribution of 2022 earnings:									
Legal reserve		-	-	-	31,449	-	(31,449)	-	-
Cash dividends	6(15)	-	-	-	-	-	(199,999)	-	(199,999)
Transfers for prior year fractional cash dividends		-	-	59	-	-	-	-	59
Balance at December 31, 2023		$ 799,994	$ 33,594	$ 291	$ 525,342	$ 199,263	$ 983,935	($ 71,897)	$ 2,470,522
For the year ended December 31, 2024									
Balance at January 1, 2024		$ 799,994	$ 33,594	$ 291	$ 525,342	$ 199,263	$ 983,935	($ 71,897)	$ 2,470,522
Net income for the year ended December 31, 2024		-	-	-	-	-	419,069	-	419,069
Other comprehensive income for the year ended December 31, 2024		-	-	-	-	-	6,866	60,840	67,706
Total comprehensive income for the year ended December 31, 2024		-	-	-	-	-	425,935	60,840	486,775
Distribution of 2023 earnings:									
Legal reserve		-	-	-	34,907	-	(34,907)	-	-
Cash dividends	6(15)	-	-	-	-	-	(223,998)	-	(223,998)
Transfers for prior year fractional cash dividends		-	-	116	-	-	-	-	116
Balance at December 31, 2024		$ 799,994	$ 33,594	$ 407	$ 560,249	$ 199,263	$ 1,150,965	($ 11,057)	$ 2,733,415

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

HANPIN ELECTRON CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 541,441	$ 454,987
Adjustments			
Adjustments to reconcile profit (loss)			
Net gains on financial assets at fair value through profit or loss	6(19)	(3,898)	(690)
Expected credit gains	12	-	(7,042)
Reversal of allowance for inventory market price decline	6(5)	(5,224)	(11,138)
Depreciation	6(6)(7)(21)	33,325	34,688
Net losses on disposal of property, plant and equipment	6(19)	804	111
Amortisation	6(21)	536	392
Interest income	6(17)	(55,414)	(36,074)
Dividend income	6(18)	(1,109)	(624)
Interest expense	6(20)	672	548
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss - current		83,838	105,820
Accounts receivable		(204,830)	(20,196)
Other receivables		2,153	(2,647)
Inventories		25,918	126,149
Prepayments		(9,117)	3,876
Changes in operating liabilities			
Contract liabilities - current		16,861	9,935
Notes payable		(97)	(14,704)
Accounts payable		71,050	5,630
Other payables		71,149	33,996
Net defined benefit liabilities - non-current		(2,895)	53
Cash inflow generated from operations		565,163	683,070
Interest received		49,643	37,535
Dividends received		1,109	624
Interest paid		(641)	(544)
Income taxes paid		(125,719)	(85,455)
Net cash flows from operating activities		489,555	635,230

(Continued)

HANPIN ELECTRON CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquistion of financial assets at amortised cost		($ 1,324,539)	($ 1,249,495)
Proceeds from disposal of financial assets at amortised cost		801,600	1,222,962
Cash paid for acquisition of property, plant and equipment	6(25)	(16,401)	(5,497)
Acquisition of intangible assets		(173)	(1,414)
Increase in prepayments for equipment		(10,344)	(5,351)
(Increase) decrease in guarantee deposits paid		(17)	1
Decrease in other non-current assets		416	454
Net cash flows used in investing activities		(549,458)	(38,340)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in short-term borrowings	6(26)	10,000	(40,000)
Payments of lease liabilities	6(26)	(83)	(971)
(Decrease) increase in guarantee deposit received	6(26)	(689)	85
Cash dividends paid	6(15)	(223,998)	(199,999)
Transfers of prior year fractional cash dividends		116	59
Net cash flows used in financing activities		(214,654)	(240,826)
Effect of foreign exchange rate changes on cash and cash equivalents		67,484	(13,398)
Net (decrease) increase in cash and cash equivalents		(207,073)	342,666
Cash and cash equivalents at beginning of year	6(1)	861,419	518,753
Cash and cash equivalents at end of year	6(1)	$ 654,346	$ 861,419

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

HANPIN ELECTRON CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

(1) Hanpin Electron Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China and other relevant laws and regulations on April 1, 1969. The Company and its subsidiaries (the “Group”) are primarily engaged in the manufacture of electronic appliances, lighting equipment, data storage and processing equipment, wireless communication machinery and electronic components, the provision of international trading, product design, information software services, the development and leasing of residential buildings, commercial buildings and industrial factories, as well as real estate sales and leasing.

(2) The shareholders of the Company at their meeting on October 28, 2003 resolved to spin off the Company’s operations related to construction segment and its related assets and liabilities to Hanchih Development Co., Ltd., with the spin-off effective date set on November 28, 2003. In exchange, the Company received 25,400 thousand ordinary shares of Hanchih Development Co., Ltd. with NT$10 (in dollars) per share, at a consideration of NT$35.36 (in dollars) per share based on the carrying amount of the net assets of the operations spun off.

(3) The Company’s shares have been listed and traded on the Taiwan Stock Exchange since September 17, 2001.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These consolidated financial statements were authorised for issuance by the Board of Directors on February 21, 2025.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS®”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board ("IASB")
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

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

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:.

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

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

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

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

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by IASB
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
IFRS 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

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18 replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Material Accounting Policies

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets (including derivative instruments) at fair value through profit or loss.

(b) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5, critical accounting judgements, estimates and key sources of assumption uncertainty.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group 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. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised 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 related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)		
Name of investor	Name of subsidiary	Main business activities	December 31, 2024	December 31, 2023	Description
Hanpin Electron Co., Ltd.	Hanpin (BVI) International Co., Ltd.	Import and research and development of home appliances, digital stereo equipment, and laser turntables	100.00	100.00	—
Hanpin Electron Co., Ltd.	Hanchih Development Co., Ltd.	Housing and building development and rental	100.00	100.00	—
Hanpin (BVI) International Co., Ltd.	Hanchih Electronics (H.K.) Co., Ltd.	Import/export declaration service	100.00	100.00	—
Hanpin (BVI) International Co., Ltd	Hanpin Electronics (Shenzhen) Co., Ltd.	Manufacture, sales and research and development of laser turntables and traditional turntables	100.00	100.00	—
Hanchih Electronics (H.K.) Co., Ltd.	Hanchih Electronics (Shenzhen) Co., Ltd.	Manufacture, sales and research and development of laser turntables and traditional turntables	100.00	100.00	—

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F: Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(a) 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 recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) 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 recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised 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.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

(a) The financial performance 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:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognised in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date；

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

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(6) Cash equivalents

A. Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

B. Time deposits and notes and bonds issued under repurchase agreement that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Group’s business model is achieved by collecting contractual cash flows.

(b)The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Group's time deposits and corporate bonds which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Inventories

Inventories are recorded base on standard cost, and cost transfers are calculated using the weighted-average method. At the end of each month, various differences are allocated to the cost of goods sold and ending inventories to reflect the actual cost. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. Ending inventories are stated at the lower of cost and net realisable value. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. If the cost exceeds net realisable value, valuation loss is accrued and recognised in operating costs. If the net realisable value reverses, valuation is eliminated within the credit balance and is recognised as deduction of operating costs.

(11) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(13) Property, plant and equipment

A. Except for the items revalued in accordance with the regulations, property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. 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:

Assets	Estimated useful lives
Buildings	16 ～ 56 years
Machinery and equipment	5 ～ 10 years
Molding equipment	2 ～ 5 years
Transportation equipment	6 years
Office equipment	5 ～ 10 years
Utilities equipment	10 ～ 16 years
Other equipment	5 ～ 10 years

(14) Leasing arrangements (lessee)－right-of-use assets

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date;

(c) Any initial direct costs incurred by the lessee; and

(d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss.

(15) Leasing arrangements (lessor)－operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(16) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model.

(17) Intangible assets

A. Patents

Patents are stated at cost and amortised on a straight-line basis over its estimated useful life of 3 years.

B. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 years.

(18) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised 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 to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(19) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(20) Non-hedging and embedded derivatives

A. Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.

B. Under the financial assets, the hybrid contracts embedded with derivatives are initially recognised as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets at amortised cost based on the contract terms.

C. Under the non-financial assets, whether the hybrid contracts embedded with derivatives are accounted for separately at initial recognition is based on whether the economic characteristics and risks of an embedded derivative are closely related in the host contract. When they are closely related, the entire hybrid instrument is accounted for by its nature in accordance with the applicable standard. When they are not closely related, the derivative is accounted for differently from the host contract as derivative while the host contract is accounted for by its nature in accordance with the applicable standard. Alternatively, the entire hybrid instrument is designated as financial liabilities at fair value through profit or loss upon initial recognition.

(21) Accounts and notes payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(23) Employee benefits

A. 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 recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

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

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, 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. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(24) <u>Income tax</u>

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. 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 countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings of the Company and its domestic subsidiaries and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred 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 Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(25) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(26) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(27) Revenue recognition

Sales of goods

A. The Group manufactures and sells audio products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

B. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(28) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate.

(29) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

Evaluation of inventories

A. As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

B. As of December 31, 2024, the carrying amount of inventories was $360,129.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash:		
Cash on hand	$ 475	$ 426
Checking accounts and demand deposits	404,161	361,113
	404,636	361,539
Cash equivalents:		
Time deposits	162,957	164,298
Notes sold under repurchase agreement	48,953	166,294
Bonds sold under repurchase agreement	37,800	169,288
	249,710	499,880
	$ 654,346	$ 861,419

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. As of December 31, 2024 and 2023, the Group reclassified time deposits with maturities over three months but less than one year, amounting to $1,015,659 and $710,928, respectively, and pledged time deposits and those maturing over one year, amounting to $258,279 and $133,639, respectively, to 'Financial assets at amortised cost - current' and 'Financial assets at amortised cost - non-current', respectively.

(2) Financial assets at fair value through profit or loss - current

Asset items	December 31, 2024	December 31, 2023
Financial assets mandatorily measured at fair value through profit or loss		
Structured deposits	$ 263,175	$ 280,815
Beneficiary certificates	12,819	79,017
	275,994	359,832
Valuation adjustment	1,897	(2,312)
	$ 277,891	$ 357,520

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	For the years ended December 31,	
	2024	2023
Financial assets mandatorily measured at fair value through profit or loss	$ 9,027	$ 8,712

B. The Group entered into contracts relating to derivative financial assets which were not accounted for under hedge accounting. The information is listed below:

	December 31, 2024	
Items	Notional principal	Contract period
Structured deposits	CNY 57,700 thousand	2024.10～2025.4

	December 31, 2023	
Items	Notional principal	Contract period
Structured deposits	CNY 64,760 thousand	2023.1～2024.5

The Group engaged into structured deposit contracts mainly for the trading purpose to earn interest income.

C. The counterparties of the Group's investments in structured deposit are financial institutions with high credit quality, so it expects that the probability of counterparty default is remote.

(3) Financial assets at amortised cost

Items	December 31, 2024	December 31, 2023
Current items:		
Time deposits expiring between three months and a year	$ 1,015,659	$ 710,928
Non-current items:		
Time deposits expiring over a year	$ 227,279	$ 102,639
Corporate bonds	200,000	100,000
Pledged time deposits	31,000	31,000
	$ 458,279	$ 233,639

A. The Group recognised interest income of $22,239 and $14,370 (listed as 'Interest income') for financial assets at amortised cost in profit or loss for the years ended December 31, 2024 and 2023, respectively.

B. As of December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was its carrying amount.

C. Details of the Group's financial assets at amortised cost pledged to others as collateral as of December 31, 2024 and 2023 are provided in Note 8.

D. The counterparties of the Group's investments in certificates of deposits and corporate bonds are financial institutions with high credit quality, so it expects that the probability of counterparty default is remote.

(4) Accounts receivable, net

	December 31, 2024	December 31, 2023
Accounts receivable	$ 495,950	$ 291,120
Less: Allowance for uncollectible accounts	(911)	(911)
	$ 495,039	$ 290,209

A. The ageing analysis of accounts receivable that were past due but not impaired is as follows:

	December 31, 2024	December 31, 2023
Not past due	$ 490,604	$ 286,888
Up to 30 days past due	5,287	4,087
31 to 60 days past due	59	145
	$ 495,950	$ 291,120

The above ageing analysis was based on past due date.

B. As of December 31, 2024 and 2023, accounts receivable were all from contracts with customers. As of January 1, 2023, the balance of receivables from contracts with customers amounted to $270,924.

C. As of December 31, 2024 and 2023, the Group did not hold any collateral as security for accounts receivable.

D. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(5) Inventories

	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Merchandise	$ 3,915	($ 538)	$ 3,377
Raw materials	186,172	(10,617)	175,555
Work in progress	65,187	(843)	64,344
Finished goods	116,901	(48)	116,853
	$ 372,175	($ 12,046)	$ 360,129

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Merchandise	$ 8,224	($ 227)	$ 7,997
Raw materials	246,146	(11,570)	234,576
Work in progress	59,175	(860)	58,315
Finished goods	84,548	(3,906)	80,642
	$ 398,093	($ 16,563)	$ 381,530

The cost of inventories recognised as expense for the year:

	For the years ended December 31,	
	2024	2023
Cost of goods sold	$ 2,407,223	$ 1,810,741
Reversal of allowance for inventory market price decline (Note)	(5,224)	(11,138)
Loss on scrapping inventory	322	2,858
	$ 2,402,321	$ 1,802,461

(Note) The Group reversed a previous inventory write-down which was accounted for as reduction of operating cost because the inventories that were written down in previous years were sold or scrapped for the years ended December 31, 2024 and 2023.

(6) Property, plant and equipment

	Land	Buildings: Owner-occupied	Buildings: Lease	Buildings: Subtotal	Machinery and equipment	Molding equipment	Transportation equipment	Office equipment	Utilities and other equipment	Unfinished construction and equipment under acceptance	Total
January 1, 2024											
Cost	$ 155,919	$ 386,808	$ 99,585	$ 486,393	$ 157,185	$ 67,325	$ 1,969	$ 45,791	$ 47,831	$ -	$ 962,413
Accumulated depreciation	-	(295,686)	(63,569)	(359,255)	(127,277)	(52,743)	(1,837)	(30,121)	(37,877)	-	(609,110)
	$ 155,919	$ 91,122	$ 36,016	$ 127,138	$ 29,908	$ 14,582	$ 132	$ 15,670	$ 9,954	$ -	$ 353,303
For the year ended December 31, 2024											
At January 1	$ 155,919	$ 91,122	$ 36,016	$ 127,138	$ 29,908	$ 14,582	$ 132	$ 15,670	$ 9,954	$ -	$ 353,303
Additions	-	239	-	239	1,720	4,550	1,402	2,192	5,363	-	15,466
Transfers from prepayments for equipment	-	-	-	-	-	-	-	-	-	730	730
Transfers after acceptance	-	-	-	-	694	36	-	-	-	(730)	-
Depreciation expense	-	(10,879)	(1,755)	(12,634)	(6,730)	(5,800)	(235)	(4,392)	(2,135)	-	(31,926)
Disposals - costs	-	(2,845)	-	(2,845)	(12,179)	(13,725)	-	(3,898)	(2,842)	-	(35,489)
-accumulated depreciation	-	2,845	-	2,845	11,719	13,474	-	3,839	2,808	-	34,685
Reclassifications	-	12,556	(12,556)	-	-	-	-	-	-	-	-
Net exchange differences	-	1,710	-	1,710	1,457	332	17	686	242	-	4,444
At December 31	$ 155,919	$ 94,748	$ 21,705	$ 116,453	$ 26,589	$ 13,449	$ 1,316	$ 14,097	$ 13,390	$ -	$ 341,213
At December 31, 2024											
Cost	$ 155,919	$ 431,439	$ 63,300	$ 494,739	$ 155,349	$ 60,501	$ 3,465	$ 46,161	$ 52,232	$ -	$ 968,366
Accumulated depreciation	-	(336,691)	(41,595)	(378,286)	(128,760)	(47,052)	(2,149)	(32,064)	(38,842)	-	(627,153)
	$ 155,919	$ 94,748	$ 21,705	$ 116,453	$ 26,589	$ 13,449	$ 1,316	$ 14,097	$ 13,390	$ -	$ 341,213

	Land	Buildings			Machinery and equipment	Molding equipment	Transportation equipment	Office equipment	Utilities and other equipment	Unfinished construction and equipment under acceptance	Total
		Owner-occupied	Lease	Subtotal							
January 1, 2023											
Cost	$ 155,919	$ 389,241	$ 99,585	$ 488,826	$ 159,432	$ 66,862	$ 2,961	$ 40,277	$ 47,292	$ -	$ 961,569
Accumulated depreciation	-	(287,925)	(61,701)	(349,626)	(124,921)	(49,750)	(2,696)	(28,123)	(37,108)	-	(592,224)
	$ 155,919	$ 101,316	$ 37,884	$ 139,200	$ 34,511	$ 17,112	$ 265	$ 12,154	$ 10,184	$ -	$ 369,345
For the year ended December 31, 2023											
At January 1	$ 155,919	$ 101,316	$ 37,884	$ 139,200	$ 34,511	$ 17,112	$ 265	$ 12,154	$ 10,184	$ -	$ 369,345
Additions	-	748	-	748	809	1,338	-	2,058	1,803	-	6,756
Transfers from prepayments for equipment	-	-	-	-	-	-	-	-	-	10,935	10,935
Transfers after acceptance	-	409	-	409	2,320	2,395	-	5,727	84	(10,935)	-
Depreciation expense	-	(10,786)	(1,868)	(12,654)	(7,263)	(6,164)	(113)	(4,147)	(2,079)	-	(32,420)
Disposals - costs	-	-	-	-	(2,757)	(2,492)	(950)	(1,698)	(768)	-	(8,665)
-accumulated											-
depreciation	-	-	-	-	2,710	2,476	931	1,675	762	-	8,554
Net exchange differences	-	(565)	-	(565)	(422)	(83)	(1)	(99)	(32)	-	(1,202)
At December 31	$ 155,919	$ 91,122	$ 36,016	$ 127,138	$ 29,908	$ 14,582	$ 132	$ 15,670	$ 9,954	$ -	$ 353,303
December 31, 2023											
Cost	$ 155,919	$ 386,808	$ 99,585	$ 486,393	$ 157,185	$ 67,325	$ 1,969	$ 45,791	$ 47,831	$ -	$ 962,413
Accumulated depreciation	-	(295,686)	(63,569)	(359,255)	(127,277)	(52,743)	(1,837)	(30,121)	(37,877)	-	(609,110)
	$ 155,919	$ 91,122	$ 36,016	$ 127,138	$ 29,908	$ 14,582	$ 132	$ 15,670	$ 9,954	$ -	$ 353,303

A. The Group's property, plant and equipment as of December 31, 2024 and 2023 were for its own use, except for certain buildings and structures which were for leasing.

B. The Group has no borrowing costs capitalised as part of property, plant and equipment for the years ended December 31, 2024 and 2023.

C. Information about the property, plant and equipment that were pledged to others as collateral as of December 31, 2024 and 2023 is provided in Note 8.

(7) Lease transactions－lessee

A. The Group leases various assets including land, buildings and multifunction printers. Rental contracts are typically made for periods of 1 to 50 year(s). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less comprise certain buildings. Low-value assets comprise multifunction printers.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2024	December 31, 2023
	Carrying amount	Carrying amount
Land	$ 30,309	$ 30,077
Buildings	2,054	-
	$ 32,363	$ 30,077

	For the years ended December 31,	
	2024	2023
	Depreciation expense	Depreciation expense
Land	$ 1,312	$ 1,287
Buildings	87	981
	$ 1,399	$ 2,268

D. For the years ended December 31, 2024 and 2023, the additions to right-of-use assets were $2,099 and $－, respectively.

E. The information on profit and loss accounts relating to lease contracts is as follows:

	For the years ended December 31,	
Items affecting profit or loss	2024	2023
Interest expense on lease liabilities	$ 11	$ 4
Expense on short-term lease contracts	1,018	90
Expense on leases of low-value assets	35	33

F. For the years ended December 31, 2024 and 2023, the Group's total cash outflow for leases were $1,147 and $1,098, respectively.

(8) Leasing arrangements – lessor

A. The Group leases various assets including buildings. Rental contracts are typically made for periods of 1 to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes.

B. For the years ended December 31, 2024 and 2023, the Group recognised rent income (listed as 'Operating revenue' and 'Other income') in the amounts of $10,455 and $10,643, respectively, based on the operating lease agreement, which does not include variable lease payments.

C. The maturity analysis of the lease payments under the operating leases is as follows:

	December 31, 2024	December 31, 2023
Within next 1 year	$ 3,785	$ 11,437
Next 1 ~ 2 year(s)	1,201	10,690
Next 2 ~ 3 years	-	1,889
	$ 4,986	$ 24,016

D. The Group has no overdue lease receivables from the lessee, and the amount of loss arising from credit risk is assessed to be insignificant.

(9) Investment property, net

	For the years ended December 31,	
	2024	2023
	Land	Land
Cost		
Beginning and ending balance	$ 167,437	$ 167,437

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	For the years ended December 31,	
	2024	2023
Rental income from investment property	$ -	$ -
Direct operating expenses arising from the investment property that did not generate rental income during the year	$ 1,737	$ 1,621

B. The fair value of the investment property held by the Group as of December 31, 2024 and 2023 was $336,620 and $333,001, respectively, which was valued based on the assessed current land value of each land. The fair value is classified as a Level 3 fair value.

C. The Group has no borrowing costs capitalised as part of investment property for the years ended December 31, 2024 and 2023.

D. As of December 31, 2024 and 2023, the Group has no investment property pledged to others.

(10) Short-term borrowings

Type of borrowings	December 31, 2024	Interest rate range	Collateral
Bank borrowings			
Unsecured bank borrowings	$ 30,000	1.80%～1.90%	None

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Unsecured bank borrowings	$ 20,000	1.67%～1.76%	None

Details of interest expense recognised in profit or loss for the years ended December 31, 2024 and 2023 are provided in Note 6(20), 'Financial cost'.

(11) Other payables

	December 31, 2024	December 31, 2023
Payable on employees' compensation and directors' remuneration	$ 144,451	$ 108,893
Wages and salaries payable	103,360	60,620
Others	28,421	36,474
	$ 276,232	$ 205,987

(12) Pensions

A. The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 3.5% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March. The related information is as follows:

(a) The amounts recognised in the balance sheet are as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligations	($ 99,284)	($ 99,459)
Fair value of plan assets	86,563	75,261
Net defined benefit liability	($ 12,721)	($ 24,198)

(b) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
For the year ended December 31, 2024			
At January 1	($ 99,459)	$ 75,261	($ 24,198)
Current service cost	(588)	-	(588)
Interest (expense) income	(1,094)	828	(266)
	(101,141)	76,089	(25,052)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	6,725	6,725
Change in financial assumptions	1,119	-	1,119
Experience adjustments	738	-	738
	1,857	6,725	8,582
Pension fund contribution	-	3,749	3,749
At December 31	($ 99,284)	$ 86,563	($ 12,721)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
For the year ended December 31, 2023			
At January 1	($ 97,939)	$ 76,361	($ 21,578)
Current service cost	(771)	-	(771)
Interest (expense) income	(1,077)	840	(237)
	(99,787)	77,201	(22,586)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	434	434
Experience adjustments	(3,001)	-	(3,001)
	(3,001)	434	(2,567)
Pension fund contribution	-	955	955
Paid pension	3,329	(3,329)	-
At December 31	($ 99,459)	$ 75,261	($ 24,198)

(c) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company and domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and domestic subsidiaries are unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2024 and 2023 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(d) The principal actuarial assumptions used were as follows:

	For the years ended December 31,	
	2024	2023
Discount rate	1.50%	1.10%
Future salary increases	1.00%	1.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2024				
Effect on present value of defined benefit obligation	($ 686)	$ 696	$ 481	($ 476)
December 31, 2023				
Effect on present value of defined benefit obligation	($ 782)	$ 795	$ 576	($ 569)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(e) Expected contributions to the defined benefit pension plans of the Group for the year ended December 31, 2025 amount to $338.

(f) As of December 31, 2024, the weighted average duration of the retirement plan is 3 years. The analysis of timing of the future pension payment was as follows:

Within next 1 year	$ 38,267
Next 2 ~ 5 years	50,000
Next over 5 years	15,362
	$ 103,629

B. Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes 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. The Company's Hong Kong and mainland China subsidiaries have a pension plan in accordance with the regulations of local governments. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations are based on certain percentage of employees' monthly salaries and wages or based on a fixed amount for each age group. Other than the monthly contributions, the Group has no further obligations. The pension costs under the defined contribution pension plan of the Group for the years ended December 31, 2024 and 2023 were $32,562 and $23,146, respectively.

(13) Share capital

A. Movements in the number of the Company's ordinary shares outstanding are as follows: (Unit: in thousand shares)

	For the years ended December 31,	
	2024	2023
Begining and ending balance	79,999	79,999

B. As of December 31, 2024, the Company's authorised capital was $1,450,000 and the paid-in capital was $799,994, consisting of 79,999 thousand shares of ordinary stock, with a par value of NT$10 (in dollars) per share, which were issued in several installments. All proceeds from shares issued have been collected.

(14) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(15) Retained earnings

A. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

B. The market that the Company is in is an industry with stable growth. To cooperate the Company's long-term business development, future capital requirements and long-term financial plan and to satisfy the shareholders' needs on cash inflow, the Company's Articles of Incorporation stipulate that the current year's earnings, if any, shall be distributed in the following order: (1) pay all taxes; (2) offset accumulated losses; (3) set aside 10% as legal reserve until the legal reserve equals the paid-in capital; (4) set aside or reverse special reserve in accordance with laws or regulations required by the applicable securities authority; (5) after deducting items (1) to (4), the remaining amount, if any, along with accumulated unappropriated earnings from prior years are subject to the Company's future needs to expand operating scale and its future cash flow needs and then can be proposed to be appropriated as dividends based on the distributable earnings. At least 10% of the distributable earnings shall be appropriated as dividends and bonuses to shareholders, and cash dividends shall account for at least 10% of the total dividends distributed to shareholders, with a maximum of 100%. The distributable earnings to be retained or to be appropriated as stock dividends and cash dividends shall be resolved by the Board of Directors and reported to stockholders at the stockholders' meeting for approval. The aforementioned stock dividend and cash dividend distribution ratios will be adjusted as resolved by the shareholders during their meeting depending on the actual profit and capital condition.

C. Special reserve

(a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1090150022, dated March 31, 2021, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.

D. The Company recognised cash dividends distributed to owners amounting to $223,998 (NT$2.8 (in dollars) per share) and $199,999 (NT$2.5 (in dollars) per share) for the years ended December 31, 2024 and 2023, respectively. On February 21, 2025, the Board of Directors proposed for the distribution of cash dividends from the 2024 earnings in the amount of $255,998 (NT$3.2 (in dollars) per share).

(16) Operating revenue

	For the years ended December 31,	
	2024	2023
Revenue from contracts with customers	$ 3,167,126	$ 2,451,324
Other operating revenue:		
Operating leases revenue	10,455	10,630
	$ 3,177,581	$ 2,461,954

A. The revenue from the Group's customer contracts is derived entirely from goods and services transferred at a point in time.

B. Contract liabilities

The Group's revenue-related contract liabilities recognised as of December 31, 2024, December 31, 2023 and January 1, 2023 amounted to $67,537, $50,676 and $40,741, respectively. Revenue recognised for the years ended December 31, 2024 and 2023 that was included in the contract liability balance at the beginning of the year amounted to $43,899 and $34,882, respectively.

(17) Interest income

	For the years ended December 31,	
	2024	2023
Interest income from bank deposits	$ 8,556	$ 8,400
Interest income from financial assets at amortised cost	22,239	14,370
Interest income from notes and bonds sold under repurchase agreement	24,524	12,942
Other interest income	95	362
	$ 55,414	$ 36,074

(18) Other income

	For the years ended December 31,	
	2024	2023
Dividend income	$ 1,109	$ 624
Rent income	-	13
Government grant income	1,402	7,775
Other income	9,263	3,416
	$ 11,774	$ 11,828

(19) Other gains and losses

	For the years ended December 31,	
	2024	2023
Gains on disposal of investments	$ 4,020	$ 7,398
Net foreign exchange gains	50,712	31,997
Net gains on financial assets at fair value through profit or loss	3,898	690
Net losses on disposals of property, plant and equipment	(804)	(111)
Other losses	(139)	(140)
	$ 57,687	$ 39,834

(20) Finance costs

	For the years ended December 31,	
	2024	2023
Interest expense:		
Bank borrowings	$ 539	$ 413
Lease liabilities	11	4
Others	122	131
	$ 672	$ 548

(21) Expenses by nature

	For the year ended December 31, 2024		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense	$ 339,374	$ 272,971	$ 612,345
Depreciation expense	23,528	9,797	33,325
Amortisation expense	-	536	536
	$ 362,902	$ 283,304	$ 646,206

	For the year ended December 31, 2023		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense	$ 260,631	$ 224,162	$ 484,793
Depreciation expense	23,801	10,887	34,688
Amortisation expense	-	392	392
	$ 284,432	$ 235,441	$ 519,873

(22) Employee benefit expense

	For the year ended December 31, 2024		
	Classified as operating costs	Classified as operating expenses	Total
Wages and salaries	$ 296,546	$ 241,455	$ 538,001
Labor and health insurance fees	7,775	11,330	19,105
Pension costs	24,547	8,869	33,416
Other personnel expenses	10,506	11,317	21,823
	$ 339,374	$ 272,971	$ 612,345

	For the year ended December 31, 2023		
	Classified as operating costs	Classified as operating expenses	Total
Wages and salaries	$ 231,411	$ 195,772	$ 427,183
Labor and health insurance fees	5,050	10,757	15,807
Pension costs	15,750	8,404	24,154
Other personnel expenses	8,420	9,229	17,649
	$ 260,631	$ 224,162	$ 484,793

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be 5% ~ 15% for employees' compensation and shall not be higher than 5% for directors' remuneration.

B. For the years ended December 31, 2024 and 2023, the total employees' compensation and directors' remuneration were accrued at $81,004 and $59,410, respectively. The aforementioned amounts were recognised in salary expenses. The employees' compensation and directors' remuneration were estimated and accrued based on a certain percentage prescribed in the Articles of Incorporation from the distributable profit of each year. The employees' compensation resolved by the Board of Directors was $81,004 for the year ended December 31, 2024, and the employees' compensation will be distributed in the form of cash. The total employees' compensation and directors' remuneration of $59,410 for the year ended December 31, 2023 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2023 financial statements. Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(23) Income tax

A. Income tax expense

(a) Components of income tax expense:

	For the years ended December 31,	
	2024	2023
Current tax:		
Current tax on profits for the year	$ 112,076	$ 98,136
Tax on undistributed earnings	4,508	4,152
Prior year income tax overestimation	(7,600)	(7,416)
Total current tax	108,984	94,872
Deferred tax:		
Origination and reversal of temporary differences	13,388	8,988
Income tax expense	$ 122,372	$ 103,860

(b) The income tax relating to components of other comprehensive income is as follows:

	For the years ended December 31,	
	2024	2023
Remeasurements of defined benefit obligations	$ 1,716	($ 513)
Exchange differences on translation	15,210	(3,275)
	$ 16,926	($ 3,788)

B. Reconciliation between income tax expense and accounting profit:

	For the years ended December 31,	
	2024	2023
Tax calculated based on profit before tax and statutory tax rate (Note)	$ 125,172	$ 103,956
Effect from changes in tax regulation	292	3,168
Tax on undistributed earnings	4,508	4,152
Prior year income tax overestimation	(7,600)	(7,416)
Income tax expense	$ 122,372	$ 103,860

(Note) The basis for computing the applicable tax rate are the rates applicable in the respective countries where the entities operate.

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	For the year ended December 31, 2024			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets				
Temporary differences:				
Loss on decline in market value	$ 321	$ 146	$ -	$ 467
Unrealised exchange loss	-	2,361	-	$ 2,361
Unused compensated absence	1,020	10	-	1,030
Pensions	5,012	(644)	(1,716)	2,652
Exchange differences on translation	17,973	-	(15,210)	2,763
	$ 24,326	$ 1,873	($ 16,926)	$ 9,273
Deferred tax liabilities				
Temporary differences:				
Reserve for land value increment tax	($ 63,541)	$ -	$ -	($ 63,541)
Unrealised exchange gain	(151)	151	-	-
Investment income	(174,288)	(10,718)	-	(185,006)
Investment income - subsidiaries	(54,886)	(4,694)	-	(59,580)
	($ 292,866)	($ 15,261)	$ -	($ 308,127)
	($ 268,540)	($ 13,388)	($ 16,926)	($ 298,854)

	For the year ended December 31, 2023			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets				
Temporary differences:				
Bad debts that exceed the limit for tax purpose	$ 1,015	($ 1,015)	$ -	$ -
Loss on decline in market value	440	(119)	-	321
Unused compensated absence	987	33	-	1,020
Pensions	4,551	(52)	513	5,012
Exchange differences on translation	14,698	-	3,275	17,973
	$ 21,691	($ 1,153)	$ 3,788	$ 24,326
Deferred tax liabilities				
Temporary differences:				
Reserve for land value increment tax	($ 63,541)	$ -	$ -	($ 63,541)
Unrealised exchange gain	(5,518)	5,367	-	(151)
Investment income	(164,109)	(10,179)	-	(174,288)
Investment income - subsidiaries	(51,863)	(3,023)	-	(54,886)
	($ 285,031)	($ 7,835)	$ -	($ 292,866)
	($ 263,340)	($ 8,988)	$ 3,788	($ 268,540)

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2024				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2016	$ 529	$ 529	$ 529	2026
2019	950	950	950	2029
2020	1,396	1,396	1,396	2030
2021	1,165	1,165	1,165	2031
2022	872	872	872	2032
2023	652	652	652	2033
2024	477	477	477	2034
	$ 6,041	$ 6,041	$ 6,041	

December 31, 2023				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2016	$ 529	$ 529	$ 529	2026
2019	950	950	950	2029
2020	1,396	1,396	1,396	2030
2021	1,165	1,165	1,165	2031
2022	872	872	872	2032
2023	652	652	652	2033
	$ 5,564	$ 5,564	$ 5,564	

E. The amounts of deductible temporary differences that were not recognised as deferred tax assets are as follows:

	December 31, 2024	December 31, 2023
Deductible temporary differences:		
Loss on decline in market value	$ 9,715	$ 14,961

F. The Company’s income tax returns through 2022 have been assessed and approved by the Tax Authority. Additionally, there were no disputes existing between the Company and the Tax Authority as of February 21, 2025.

(24) Earnings per share

	For the year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 419,069	79,999	$ 5.24
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 419,069	79,999	
Assumed conversion of all dilutive potential ordinary shares			
Employees’ compensation	-	1,165	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 419,069	81,164	$ 5.16

	For the year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 351,127	79,999	$ 4.39
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 351,127	79,999	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,234	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 351,127	81,233	$ 4.32

(25) Supplemental cash flow information

A. Investing activities with partial cash payments:

	For the years ended December 31,	
	2024	2023
Acquisition of property, plant and equipment	$ 15,466	$ 6,756
Add: Beginning balance of other payables	1,665	406
Less: Ending balance of other payables	(730)	(1,665)
Cash paid for acquisition of property, plant and equipment	$ 16,401	$ 5,497

B. Investing activities with no cash flow effects:

	For the years ended December 31,	
	2024	2023
Prepayments for equipment transferred to property, plant and equipment	$ 730	$ 10,935

(26) Changes in liabilities from financing activities

	Short-term borrowings	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
Balance at January 1, 2024	$ 20,000	$ -	$ 2,278	$ 22,278
Changes in cash flow from financing activities	10,000	(83)	(689)	9,228
Changes in other non-cash items	-	2,142	-	2,142
Balance at December 31, 2024	$ 30,000	$ 2,059	$ 1,589	$ 33,648

	Short-term borrowings	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
Balance at January 1, 2023	$ 60,000	$ 971	$ 2,193	$ 63,164
Changes in cash flow from financing activities	(40,000)	(971)	85	(40,886)
Balance at December 31, 2023	$ 20,000	$ -	$ 2,278	$ 22,278

7. Related Party Transactions

Key management compensation:

	For the years ended December 31,	
	2024	2023
Wages and salaries and other long-term benefits	$ 51,673	$ 42,203
Post-employment benefits	322	319
	$ 51,995	$ 42,522

8. Pledged Assets

The Group’s assets pledged as collateral are as follows:

Pledged asset	December 31, 2024	December 31, 2023	Purpose
Time deposits (Note 1)	$ 31,000	$ 31,000	Endorsements and guarantees provided to subsidiaries
Buildings, net (Note 2)	20,082	23,805	Guarantees for financing facilities
	$ 51,082	$ 54,805	

(Note 1) Listed as ‘Financial assets at amortised cost - non-current’.

(Note 2) Listed as ‘Property, plant and equipment’.

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) As of December 31, 2024 and 2023, the amounts of prepayments for equipment contracted but not yet paid were $4,985 and $360, respectively.

(2) Refer to Note 13(1)B for details of the Group's endorsements and guarantees provided to others.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders, to maintain an optimal capital structure to reduce the cost of capital, and to ensure it has necessary financial resource and operating plans to meet operational capital for future needs, capital expenditure, research and development expense, obligation repayment and dividend distribution within the next 12 months.

(2) Financial instruments

A. Financial instruments by category

Refer to details of each financial asset and liability in Note 6 for the Group's financial instruments by category.

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and CNY. Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities.

ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury.

iii. The Group's risk management policy focuses on appropriately hedging the future expected cash flows (primarily for export sales and inventory purchases) in USD and CNY to reduce exposure to USD and CNY risks.

iv. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

v. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD and CNY). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2024		
	Foreign currency amount (In thousands)	Exchange rate	Book value
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 22,244	32.79	$ 729,370
USD: CNY	13,634	7.19	447,066
CNY: USD	712	0.14	3,249
HKD: USD	524	0.13	2,212
Financial liabilities			
Monetary items			
USD:NTD	21,792	32.79	714,561
USD: CNY	1,763	7.19	57,817
NTD: USD	3,248	0.03	3,248

	December 31, 2023				
	Foreign currency amount (In thousands)		Exchange rate		Book value
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	$	24,344	30.71	$	747,592
USD: CNY		7,841	7.08		240,783
CNY: USD		1,060	0.14		4,597
HKD: USD		1,274	0.13		5,004
Financial liabilities					
Monetary items					
USD:NTD		19,166	30.71		588,589
USD: CNY		2,835	7.08		87,059
NTD: USD		3,080	0.03		3,080

Sensitivity analysis of foreign exchange risk is primarily for foreign currency monetary items at the end of financial reporting period. If the exchange rate of NTD to other currencies had appreciated/depreciated by 1% with all other factors remaining constant, the Group's net profit after tax for the years ended December 31, 2024 and 2023 would increase/decrease by $3,053 and $2,477, respectively.

vi. Total exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2024 and 2023 amounted to $50,712 and $31,997, respectively.

Price risk

i. The Group's beneficiary certificates, which are exposed to price risk, are the held financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. The Group's investments in beneficiary certificates are subject to price changes due to the fluctuations in the future value of investee companies. Sensitivity analysis of price risk of beneficiary certificates is calculated based on fair value changes at the end of financial reporting period. If the prices of these beneficiary certificates had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2024 and 2023 would have increased/decreased by $135 and $692, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss.

Cash flow and fair value interest rate risk

i. Some of the Group’s borrowings are financial instruments at floating rates. Thus, future cash flows will fluctuate due to changes in market interest rates and further changes in effective rates of debt instruments. However, partial interest rate risk is offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

ii. If the borrowing interest rate had increased/decreased by 10% with all other variables held constant, profit, net of tax, for the years ended December 31, 2024 and 2023 would have decreased/increased by $54 and $44, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.

ii. The Group manages its credit risk taking into consideration the entire group’s concern. The Group transacts with a variety of financial institutions all with high credit rating to disperse credit risk. According to the Group’s credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. When contractual payments are more than 60 days past due according to the agreed payment terms, the Group considers that the credit risk of the financial assets has increased significantly since initial recognition.

iv. When contractual payments are more than 180 days past due according to the agreed payment terms, the Group considers that a default has occurred.

v. The Group classifies accounts receivable based on customer rating characteristics, adopting a simplified approach and incorporating forward-looking considerations to adjust and estimate expected credit losses based on historical and current information for specific periods. The changes in the Group's allowance for accounts receivable losses are as follows:

	For the years ended December 31,	
	2024	2023
At January 1	$ 911	$ 7,953
Expected credit gains	-	(7,042)
At December 31	$ 911	$ 911

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times, so that the Group has sufficient financial flexibility.

ii. Surplus cash held by the operating entities over and above balance required for working capital management are managed by the Group treasury to invest surplus cash in interest bearing current accounts, time deposits, structured deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts, that are expected to readily generate cash inflows for managing liquidity risk.

iii. The Group has the following undrawn borrowing facilities:

	December 31, 2024	December 31, 2023
Floating rate		
Expiring within one year	$ 1,631,850	$ 1,843,721

iv. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2024	Less than 1 year	Between 1 and 2 years	Over 2 years
Non-derivative financial liabilities:			
Short-term borrowings	$ 30,047	$ -	$ -
Notes payable	45	-	-
Accounts payable	377,043	-	-
Other payables	276,232	-	-
Lease liability	1,137	1,043	-
Guarantee deposits received	1,109	480	-

December 31, 2023	Less than 1 year	Between 1 and 2 years	Over 2 years
Non-derivative financial liabilities:			
Short-term borrowings	$ 20,028	$ -	$ -
Notes payable	142	-	-
Accounts payable	305,993	-	-
Other payables	205,987	-	-
Guarantee deposits received	-	-	2,278

v. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis to be significantly earlier, nor expect the actual cash flow amount to be significantly different.

(3) Fair value information

A. 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 Group's investment in beneficiary certificates 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. The fair value of the Group's investment in structured deposits is included in Level 2.

Level 3: Unobservable inputs for the asset or liability.

B. Fair value information of investment property at cost is provided in Note 6(9), 'Investment property, net'.

C. The carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, financial assets at amortised cost, accounts receivable, other receivables, guarantee deposits paid, short-term borrowings, notes payable, accounts payable, other payables, lease liabilities and guarantee deposits received) are approximate to their fair values.

D. The related information on financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2024 and 2023 are as follows:

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Beneficiary certificates	$ 13,528	$ -	$ -	$ 13,528
Structured deposits	-	264,363	-	264,363
	$ 13,528	$ 264,363	$ -	$ 277,891

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Beneficiary certificates	$ 69,191	$ -	$ -	$ 69,191
Structured deposits	-	288,329	-	288,329
	$ 69,191	$ 288,329	$ -	$ 357,520

E. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Exchange Traded Fund (ETF)	Open-end fund
Market quoted price	Closing price	Net asset value

F. For the years ended December 31, 2024 and 2023, there was no transfer between Level 1 and Level 2.

G. For the years ended December 31, 2024 and 2023, there was no transfer into or out from Level 3.

13. Supplementary Disclosures

(According to the current regulatory requirements, the Group is only required to disclose the information for the year ended December 31, 2024)

(1) Significant transactions information

A. Loans to others: Refer to table 1.

B. Provision of endorsements and guarantees to others: Refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost reaching NT$300 million or 20% of the Company's paid-in capital or more: Refer to table 4.

E. Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: Refer to table 5.

H. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: Refer to table 6.

I. Derivative financial instrument transactions: Refer to table 7.

J. Significant inter-company transactions during the reporting period: Refer to table 8.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Refer to table 9.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 10.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to table 11.

(4) Major shareholders information:

Major shareholders information: Refer to table 12.

14. Segment Information

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. The chief operating decision maker considers the business from a product type perspective and separated the operating segments into audio and construction segments. Audio segment is primarily engaged in the manufacture of audio equipment used in consumer entertainment venues, studios, personal audio-visual entertainment, schools, conference rooms, theatres and large-scale concerts. Construction segment engages in the development, leasing and sales of residential buildings, commercial buildings and industrial factories, as well as real estate sales and leasing.

(2) Measurement of segment information

The chief operating decision-maker evaluates the performance of the operating segments based on the segment income/(loss) before tax.

(3) Information about segment profit or loss, assets and liabilities

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	For the year ended December 31, 2024		
	Audio segment	Construction segment	Total
Net revenue from external customers	$ 3,177,581	$ -	$ 3,177,581
Interest income	54,556	858	55,414
Depreciation and amortisation	33,861	-	33,861
Interest expense	672	-	672
Segment income before tax	538,384	3,057	541,441
Segment assets	3,618,760	259,570	3,878,330
Segment liabilities	1,119,292	25,623	1,144,915

	For the year ended December 31, 2023		
	Audio segment	Construction segment	Total
Net revenue from external customers	$ 2,461,954	$ -	$ 2,461,954
Interest income	35,324	750	36,074
Depreciation and amortisation	35,080	-	35,080
Interest expense	548	-	548
Segment income before tax	448,804	6,183	454,987
Segment assets	3,199,936	256,562	3,456,498
Segment liabilities	960,303	25,673	985,976

(4) Reconciliation for segment profit or loss, assets and liabilities

A. Sales between segments are carried out at arm’s length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the consolidated statement of comprehensive income. The amount of reportable segment income/(loss) is the same as the income/(loss) before tax from continuing operations, and thus such reconciliation is not required.

B. The amounts provided to the chief operating decision maker with respect to total assets and liabilities are measured in a manner consistent with that of the consolidated financial statements. Reconciliation was not needed as the total assets and liabilities of reportable segment were in agreement with the total assets and liabilities.

(5) Information on products and services

Revenue from external customers is mainly from the sales of audio products and real estate sales and leasing. Details are as follows:

	For the years ended December 31,	
	2024	2023
Sales revenue	$ 3,167,126	$ 2,451,324
Rental revenue	10,455	10,630
	$ 3,177,581	$ 2,461,954

(6) Geographical information

Geographical information for the years ended December 31, 2024 and 2023 is as follows:

	For the years ended December 31,			
	2024		2023	
	Revenue	Non-current assets	Revenue	Non-current assets
USA	$ 1,196,612	$ -	$ 786,746	$ -
Netherlands	559,808	-	508,346	-
Japan	349,706	-	304,851	-
Taiwan	11,844	425,295	14,639	434,681
China	10,358	125,754	11,091	119,391
Others (individually less than 10%)	1,049,253	2,054	836,281	-
	$ 3,177,581	$ 553,103	$ 2,461,954	$ 554,072

(7) Major customer information

Details of the Group's major customers (who accounted for more than 10% of the consolidated net operating revenue) for the years ended December 31, 2024 and 2023 are as follows:

	For the years ended December 31,			
	2024		2023	
	Revenue	Segment	Revenue	Segment
Company D	$ 961,800	Audio segment	$ 535,454	Audio segment
Company C	474,014	Audio segment	408,273	Audio segment
Company F	467,763	Audio segment	370,893	Audio segment
Company A	302,106	Audio segment	339,029	Audio segment

Hanpin Electron Co., Ltd. and subsidiaries

Loans to others

For the year ended December 31, 2024

Table 1

Expressed in thousands of NTD

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance	Ending balance	Actual amount drawn down	Interest rate	Nature of loan (Note 1)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 2)	Note
1	Hanpin (BVI) International Co., Ltd.	Hanpin Electron Co., Ltd.	Other receivables	Yes	$ 353,030	$ 352,493	$ 344,295	-	2	$ -	Working capital	$ -	-	$ -	$ 1,471,494	$ 1,471,494	—

(Note 1) The numbers filled in for the nature of loan are as follows:

1. Business transaction.
2. Short-term financing.(for loans granted between foreign companies of which the Company directly and indirectly holds 100% of their shares or loans granted to the Company by foreign companies of which the Company directly and indirectly holds 100% of their shares, are not subject to short-term restrictions).

(Note 2) The calculation for limit on loans granted to a single party and ceiling on total loans granted is as follows:

1. Limit on loans granted to a single party:
   (1) For the loans to companies or entities having business transactions, the limit on loans granted to a single party is the business transaction amount between both parties in the most recent year. The business transaction amount is the higher of purchase or sales amount between both parties, but the amount shall not be higher than 10% of the net asset value of the creditor.
   (2) For the loans to companies or entities having short-term financing needs, the limit on loans granted to a single party is 10% of the net asset value of the Company. However, for the loans to the Taiwan parent company having short-term financing needs or the subsidiaries of which the Taiwan parent company directly or indirectly holds 100% of their voting shares, the limit on loans granted to a single party is 100% of the net asset value of the creditor.
2. Ceiling on total loans granted: The ceiling on total loans granted to others by the creditor is 100% of the net asset value of the creditor, of which:
   (1) For the loans to companies or entities having business transactions, the ceiling on total loans granted is 20% of the net asset value of the creditor.
   (2) For the loans to companies or entities having short-term financing needs, the ceiling on total loans granted is 10% of the net asset value of the Company. However, for the loans to the Taiwan parent company having short-term financing needs or the subsidiaries of which the Taiwan parent company directly or indirectly holds 100% of their voting shares, the ceiling on total loans granted is 100% of the net asset value of the creditor.

(Note 3) Foreign currency amounts in the table were translated into NTD according to the exchange rate on the financial reporting date (USD: NTD = 1: 32.79).

Hanpin Electron Co., Ltd. and subsidiaries

Provision of endorsements and guarantees to others

For the year ended December 31, 2024

Table 2

Expressed in thousands of NTD

Number	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor	Limit on endorsements/ guarantees provided for a single party (Note 2)	Maximum outstanding endorsement/ guarantee amount	Outstanding endorsement/ guarantee amount	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 2)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Note
0	Hanpin Electron Co., Ltd.	Hanchih Electronics (H.K.) Co., Ltd.	(Note 1)	$ 2,733,415	$ 158,000	$ 96,580	$ 96,580	$ 31,000	3.53%	$ 2,733,415	Yes	No	No	—

(Note 1) The details for the relationship with the Company are as follows:
An entity of which the Company directly and indirectly holds more than 50% of the voting shares.

(Note 2) 1. Limit on endorsements/guarantees provided by the Company or subsidiaries for a single party is 50% of the current net equity value, but is 100% of the current net equity value for a single overseas subsidiary.
Where the endorsements/guarantees are provided for the business transactions, the ceiling on the total amount provided is the total transaction amount with the Company in the most recent year (the higher of purchase or sales amount between both parties).
Ceiling on the total amount of endorsements/guarantees provided by the Company and its subsidiaries is 100% of the current net equity value.
2. Ceiling on the total amount of endorsements/guarantees provided by the Company and its subsidiaries is 100% of the current net asset value of the Company
and limit on endorsements/guarantees provided for a single party is 50% of the current net asset value of the Company, but is 100% of the Company’s net asset value for an overseas subsidiary or a single affiliate.

(Note 3) Foreign currency amounts in the table were translated into NTD according to the exchange rate on the financial reporting date (USD: NTD = 1: 32.79).

Hanpin Electron Co., Ltd. and subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2024

Table 3

Expressed in thousands of NTD

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2024 Number of shares (in thousand shares or thousand units)	Book value	Ownership (%)	Fair value	Note
Hanpin Electron Co., Ltd.	Beneficiary certificates							
	SinoPac 4 Year Maturity US Quality Investment Grade Bond Fund-Distribution	-	(Note 1)	200	$ 2,174	-	$ 2,174	—
	Allianz Global Investors Taiwan Technology Fund	-	(Note 1)	27	6,300	-	6,300	—
	Franklin Templeton Investment Funds-Franklin Japan Fund Class A (acc) JPY	-	(Note 1)	15	5,054	-	5,054	—
	Corporate bonds:							
	Taiwan Life Unsecured Cumulative Subordinated Corporate Bonds	-	(Note 2)	-	100,000	-	100,000	—
	Fubon Life Unsecured Cumulative Subordinated Corporate Bonds	-	(Note 2)	-	100,000	-	100,000	—
Hanchih Electronics (Shenzhen) Co., Ltd.	Structured deposits:							
	Fubon Bank CNY Interest Rate Structured Products	-	(Note 1)	-	264,363	-	264,363	—

(Note 1) Listed as ‘Financial assets at fair value through profit or loss - current’.

(Note 2) Listed as ‘Financial assets at amortised cost - non-current’.

(Note 3) Foreign currency amounts in the table were translated into NTD according to the exchange rates on the financial reporting date (USD: NTD = 1: 32.79; CNY:USD = 1: 0.1391).

Hanpin Electron Co., Ltd. and subsidiaries

Acquisition or sale of the same security with the accumulated cost reaching NT$300 million or 20% of the Company's paid-in capital or more

For the year ended December 31, 2024

Table 4

Expressed in thousands of NTD

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2024		Addition		Disposal				Increase (decrease)		Balance as at December 31, 2024	
					Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Selling Price	Book value	Gain (loss) on disposal	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount
Hanchih Electronics (Shenzhen) Co., Ltd.	Fubon Bank CNY Interest Rate Structured Products	Financial assets at fair value through profit or loss - current	Fubon Bank (China)	—	-	$ 208,985	-	$ 477,546	-	$ 425,823	($ 417,906)	$ 7,917	-	($ 4,262)	-	$ 264,363
Hanpin Electronics (Shenzhen) Co., Ltd.	Fubon Bank CNY Interest Rate Structured Products	Financial assets at fair value through profit or loss - current	Fubon Bank (China)	—	-	79,344	-	83,468	-	163,784	(160,359)	3,425	-	(2,453)	-	-

(Note) For the foreign currency amounts in the table, the beginning balance was translated into NTD according to the exchange rates on January 1, 2024 (USD:NTD = 1:30.71;CNY:USD = 1:0.1412); the current additions, disposals and the ending balance were translated into NTD according to the exchange rates on the financial reporting date (USD:NTD = 1:32.79; CNY:USD = 1:0.1391); gains (losses) on disposal were translated into NTD according to the average exchange rates for the year ended December 31, 2024 (USD:NTD = 1:32.11; CNY: USD = 1:0.1404).

Hanpin Electron Co., Ltd. and subsidiaries

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

For the year ended December 31, 2024

Table 5

Expressed in thousands of NTD

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Note
Hanpin Electron Co., Ltd.	Hanchih Electronics (H.K.) Co., Ltd.	Subsidiary	Purchases	$ 2,544,338	87%	(Note 1)	-	(Note 2)	($ 366,312)	(81%)	—
Hanchih Electronics (H.K.) Co., Ltd.	Hanchih Electronics (Shenzhen) Co., Ltd.	Subsidiary	Purchases	2,536,326	85%	(Note 1)	-	(Note 2)	(285,718)	(89%)	—
	Hanpin Electron Co., Ltd.	The Company	(Sales)	(2,544,338)	(99%)	(Note 1)	-	(Note 2)	366,312	99%	—
Hanchih Electronics (Shenzhen) Co., Ltd.	Hanchih Electronics (H.K.) Co., Ltd.	Subsidiary	(Sales)	(2,536,326)	(100%)	(Note 1)	-	(Note 2)	285,718	100%	—

(Note 1) The payment terms for the purchases/sales with related parties are 60 days after the monthly billings by T/T. However, both parties may negotiate a payment extension depending on the capital situation.

(Note 2) The payment terms for general transactions are 30 ~ 90 days after the monthly billings, primarily determined based on the Customer Credit Management Policy of the Company.

(Note 3) For the foreign currency amounts in the table, the balances of notes and accounts receivable (payable) were translated into NTD according to the exchange rates on the financial reporting date (USD: NTD = 1: 32.79; CNY:USD = 1: 0.1391); the current purchases and sales amounts were translated into NTD according to the average exchange rates for the year ended December 31, 2024 (USD: NTD = 1: 32.11; CNY:USD = 1: 0.1404).

Hanpin Electron Co., Ltd. and subsidiaries

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

December 31, 2024

Table 6

Expressed in thousands of NTD

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2024		Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts	Note
			Accounts	Amount		Amount	Action taken			
Hanpin (BVI) International Co., Ltd.	Hanpin Electron Co., Ltd.	The Company	Other receivables	$ 344,295	-	$ -	-	$ -	$ -	—
Hanchih Electronics (H.K.) Co., Ltd.	Hanpin Electron Co., Ltd.	The Company	Accounts receivable	366,312	8.07	-	-	140,552	-	—
Hanchih Electronics (Shenzhen) Co., Ltd.	Hanchih Electronics (H.K.) Co., Ltd.	Subsidiary	Accounts receivable	285,718	9.92	-	-	89,189	-	—

(Note) Foreign currency amounts in the table were translated into NTD according to the exchange rates on the financial reporting date (USD: NTD = 1: 32.79; CNY:USD = 1: 0.1391).

Hanpin Electron Co., Ltd. and subsidiaries

Derivative financial instrument transactions

December 31, 2024

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Company name	Derivative products	Notional principal (In thousands)		Book value	
Hanchih Electronics (Shenzhen) Co., Ltd.	Fubon Bank CNY Interest Rate Structured Products	CNY	57,700	$	264,363

(Note 1) The Group recognised a net gain on transactions in derivatives of $4,706 for the year ended December 31, 2024.

(Note 2) Foreign currency amounts in the table were translated into NTD according to the exchange rates on the financial reporting date (USD: NTD = 1: 32.79; CNY:USD = 1: 0.1391).

Hanpin Electron Co., Ltd. and subsidiaries

Significant inter-company transactions during the reporting period

For the year ended December 31, 2024

Table 8

Expressed in thousands of NTD

Number (Note 2)	Company name	Counterparty	Relationship (Note 3)	Transaction				
				General ledger account		Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 4)
0	Hanpin Electron Co., Ltd.	Hanpin (BVI) International Co., Ltd.	1	Long-term borrowings	$	344,295	—	9%
		Hanchih Electronics (H.K.) Co., Ltd.	1	Purchases		2,544,338	(Note 5)	80%
				Accounts payable		366,312	—	9%
				Endorsements/guarantees		96,580	—	2%
		Hanchih Electronics (Shenzhen) Co., Ltd.	1	Accounts receivable		22,515	(Note 6)	1%
1	Hanpin (BVI) International Co., Ltd.	Hanpin Electronics (Shenzhen) Co., Ltd.	3	Other receivables		13,384	—	—
				Accounts payable		30,139	—	1%
2	Hanchih Electronics (H.K.) Co., Ltd.	Hanchih Electronics (Shenzhen) Co., Ltd.	3	Purchases		2,536,326	(Note 5)	80%
				Accounts payable		285,718	—	7%

(Note 1) If transactions between the parent company and its subsidiaries refer to the same transaction, only transactions with amount over NT$10 million and one side of them are disclosed.

(Note 2) The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

1. Parent company is ‘0’.
2. The subsidiaries are numbered in order starting from ‘1’.

(Note 3) Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to.

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

(Note 4) Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

(Note 5) The payment terms for the purchases with related parties are 60 days after the monthly billings by T/T. However, both parties may negotiate a payment extension depending on the capital situation.

(Note 6) The company exported the purchased raw materials to the subsidiary in mainland China for processing. In accordance with the Financial Accounting Standards, the company did not treat this amount as sales revenue, and the related costs and expenses were not included in the company's profit and loss statement.

(Note 7) For the foreign currency amounts in the table, the balances of notes and accounts receivable (payable) were translated into NTD according to the exchange rates on the financial reporting date (USD: NTD = 1: 32.79; CNY:USD = 1: 0.1391); the current purchases and sales amounts were translated into NTD according to the average exchange rates for the year ended December 31, 2024 (USD: NTD = 1: 32.11; CNY:USD = 1: 0.1404).

Hanpin Electron Co., Ltd. and subsidiaries

Information on investees

For the year ended December 31, 2024

Table 9

Expressed in thousands of NTD

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2024	Initial investment amount: Balance as at December 31, 2023 (Note 1)	Shares held as at December 31, 2024: Number of shares (in shares)	Shares held as at December 31, 2024: Ownership (%)	Shares held as at December 31, 2024: Book value	Net profit (loss) of the investee for the year ended December 31, 2024	Investment income (loss) recognised by the Company for the year ended December 31, 2024	Note
Hanpin Electron Co., Ltd.	Hanpin (BVI) International Co., Ltd.	British Virgin Islands	Import and research and development of home appliances, digital stereo equipment, and laser turntables	$ 462,466	$ 462,466	15,003,894	100.00	$ 1,469,885	$ 55,087	$ 53,590	Subsidiary
	Hanchih Development Co., Ltd.	Taiwan	Housing and building development and rental	271,006	271,006	15,400,000	100.00	233,946	3,057	3,057	Subsidiary
Hanpin (BVI) International Co., Ltd.	Hanchih Electronics (H.K.) Co., Ltd.	Hong Kong	Import/export declaration service	314,784	314,784	50,961,160	100.00	895,333	63,569	-	Subsidiary (Note 2)

(Note 1) It pertains to the balances of initial investment amount as of December 31, 2023.

(Note 2) The investment income (loss) does not need to be disclosed per the rules.

(Note 3) Foreign currency amounts in the table were translated into NTD according to the exchange rates on the financial reporting date (USD: NTD = 1: 32.79; CNY:USD = 1: 0.1391).

Hanpin Electron Co., Ltd. and subsidiaries

Information on investments in Mainland China

For the year ended December 31, 2024

Table 10

Expressed in thousands of NTD

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2024: Remitted to Mainland China	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2024: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Net income of investee for the year ended December 31, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2024 （Note 3）	Book value of investments in Mainland China as of December 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024	Note
Hanpin Electronics (Shenzhen) Co., Ltd.	Manufacture, sales and research and development of laser turntables and traditional turntables	$ 98,370	Note 1	$ 163,950	$ -	$ -	$ 163,950	$ 5,334	100.00	$ 5,334	$ 250,328	$ 283,210	—
Hanchih Electronics (Shenzhen) Co., Ltd.	Manufacture, sales and research and development of laser turntables and traditional turntables	163,950	Note 2	163,950	-	-	163,950	60,712	100.00	60,712	827,727	118,458	—

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 4)
Hanpin Electron Co., Ltd.	$ 359,051	$ 377,085	$ 1,640,049

(Note 1) Investing in the investee in Mainland China through a company invested and established in the third area (Hanpin (BVI) International Co., Ltd.).

(Note 2) Investing in the investee in Mainland China through investing in an existing company in the third area (Hanchih Electronics (H.K.) Co., Ltd.).

(Note 3) It was recgonised based on each investee’s financial statements for the corresponding period that were audited and attested by R.O.C. parent company’s CPA.

(Note 4) It was calculated based on 60% of the higher of the net asset value or consolidated net asset value.

(Note 5) Foreign currency amounts in the table were translated into NTD according to the exchange rates on the financial reporting date (USD: NTD = 1: 32.79; CNY:USD = 1: 0.1391).

Hanpin Electron Co., Ltd. and subsidiaries

Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area

For the year ended December 31, 2024

Table 11

Expressed in thousands of NTD

Investee in Mainland China	Sale (purchase) Amount	Sale (purchase) %	Property transaction Amount	Property transaction %	Accounts receivable (payable) Balance at December 31, 2024	Accounts receivable (payable) %	Provision of endorsements/guarantees or collaterals Balance at December 31, 2024	Provision of endorsements/guarantees or collaterals Purpose	Financing Maximum balance during the year ended December 31, 2024	Financing Balance at December 31, 2024	Financing Interest rate	Financing Interest during the year ended December 31, 2024	Others
Hanchih Electronics (Shenzhen) Co., Ltd.	($ 2,544,338)	(87)	$ -	-	($ 366,312)	(81)	$ -	-	$ -	$ -	-	$ -	—
	-	-	-	-	22,515	4	-	-	-	-	-	-	(Note)

(Note) The Company exported the purchased raw materials to the subsidiary in mainland China for processing. In accordance with the Financial Accounting Standards, the Company did not treat this amount as sales revenue, and the related costs and expenses were not included in the Company's profit and loss statement.

Hanpin Electron Co., Ltd. and subsidiaries

Major shareholders information

December 31, 2024

Table 12 | Expressed in shares

	Shares	
Name of major shareholders	Number of shares held	Ownership (%)
Shen-Chi Liu	4,850,434	6.06%
Yen-Jiun Co., Ltd.	4,509,800	5.63%
Shen-Keng Liu	4,094,056	5.11%
Chiu-Hsiung Liu	4,060,915	5.07%

(Note) The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by the Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements may differ from the actual number of shares issued in dematerialised form because of a different calculation basis.