

**ACTION ELECTRONICS CO., LTD.**  
**PARENT COMPANY ONLY FINANCIAL**  
**STATEMENTS AND INDEPENDENT AUDITORS’**  
**REPORT**  
**DECEMBER 31, 2024 AND 2023**

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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.

ACTION ELECTRONICS CO., LTD.  
DECEMBER 31, 2024 AND 2023 PARENT COMPANY ONLY FINANCIAL  
STATEMENTS AND INDEPENDENT AUDITORS' REPORT  
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## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Action Electronics Co., Ltd.

### ***Opinion***

We have audited the accompanying parent company only balance sheets of Action Electronics Co., Ltd. (the “Company”) as at December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the year 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 Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 Company's 2024 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2024 parent company only financial statements are stated as follows:

#### **Intangible assets - impairment of trademark right**

##### Description

Refer to Note 4(17) for accounting policy on impairment of non-financial assets, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to intangible assets - impairment of trademark right and Note 6(11) for details of intangible assets - trademark right.

The Company's intangible assets are mainly the Kolin trademark. For the Company, the impairment was tested based on the recoverable amount which was measured using the present value of expected future cash flows discounted at an appropriate discount rate. Since the expected future cash flow involves a financial forecast for the next 5 years, and the assumptions applied in the preparation of the forecast are dependent upon subjective judgements and contain a high degree of uncertainties, which have a significant impact on the measurement of recoverable amount, and further affect the estimates of impairment of trademark, we consider the impairment assessment of intangible assets a key audit matter.

### How our audit addressed the matter

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

- A. Obtained an understanding and assessed the process in which the management estimated future cash flows of such cash-generating unit, and reconciled the future cash flows used with the future annual budget provided by operating segments.
- B. Obtained an understanding on the procedure and basis for determining assumptions used by the management to forecast future cash flows.
- C. Assessed the key assumptions used by the external appraiser engaged by management in the estimation of future cash flows, including assessing the reasonableness of expected operating revenue, gross profit and changes in expenses by comparing to historical results.
- D. Reviewed the parameters of discount rates, including the reasonableness of risk-free rate of cost of equity, market risk premium, securities risk premium and size risk premium.

### ***Responsibilities of management and those charged with governance for the 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

***Auditors' responsibilities for the audit of the parent company only financial statements***

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material 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 generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

- A. Identify and assess the risks of material misstatement of the parent company only 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.

- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with 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 parent company only 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.

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Wu, Jen-Chieh

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Lin, Ya-Hui

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 14, 2025

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The accompanying parent company only 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 parent company only 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.

ACTION ELECTRONICS CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Assets	Notes	December 31, 2024		December 31, 2023		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 135,636	3	\$ 124,611	4
1120	Current financial assets at fair value through other comprehensive income	6(2)	71,579	2	76,042	2
1180	Accounts receivable, net	6(3) and 7	46,372	1	96,605	3
1200	Other receivables	6(4) and 7	218,022	6	116,565	3
130X	Current inventories	6(5) and 8	149,072	4	311,310	9
1470	Other current assets		29,690	1	12,386	-
11XX	<b>Total current assets</b>		<u>650,371</u>	<u>17</u>	<u>737,519</u>	<u>21</u>
<b>Non-current assets</b>						
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	28,000	1	-	-
1550	Investments accounted for using equity method	6(6)	2,102,961	56	2,299,040	66
1600	Property, plant and equipment	6(7) and 8	169,782	5	6,347	-
1755	Right-of-use assets	6(8) and 7	9,242	-	30,983	1
1760	Investment property, net	6(10) and 8	521,802	14	104,240	3
1780	Intangible assets	6(11)	203,603	6	209,256	6
1840	Deferred tax assets	6(27)	53,093	1	75,349	2
1900	Other non-current assets		6,578	-	9,505	1
15XX	<b>Total non-current assets</b>		<u>3,095,061</u>	<u>83</u>	<u>2,734,720</u>	<u>79</u>
1XXX	<b>Total assets</b>		<u>\$ 3,745,432</u>	<u>100</u>	<u>\$ 3,472,239</u>	<u>100</u>

(Continued)

ACTION ELECTRONICS CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Liabilities and Equity	Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>						
2100	Short-term borrowings	6(12)	\$ 340,000	9	\$ 190,000	6
2130	Current contract liabilities	6(21)	15,989	1	15,458	1
2180	Accounts payable	7	16,043	-	65,577	2
2200	Other payables	6(14) and 7	38,233	1	49,899	1
2250	Current provisions	6(15)	293	-	504	-
2280	Current lease liabilities	7	4,644	-	11,232	-
2320	Long-term liabilities, current portion	6(13)	-	-	60,000	2
2399	Other current liabilities, others		8,902	-	15,605	-
21XX	<b>Total current liabilities</b>		<u>424,104</u>	<u>11</u>	<u>408,275</u>	<u>12</u>
<b>Non-current liabilities</b>						
2540	Non-current portion of non-current borrowings	6(13)	200,000	5	200,000	6
2550	Non-current provisions	6(15)	156	-	169	-
2570	Deferred tax liabilities	6(27)	19,840	1	27,145	1
2580	Non-current lease liabilities	7	4,966	-	20,146	-
2600	Other non-current liabilities	6(6)(16)	57,918	2	4,808	-
25XX	<b>Total non-current liabilities</b>		<u>282,880</u>	<u>8</u>	<u>252,268</u>	<u>7</u>
2XXX	<b>Total liabilities</b>		<u>706,984</u>	<u>19</u>	<u>660,543</u>	<u>19</u>
<b>Equity</b>						
Share capital						
3110	Common stock	6(17)	2,771,575	74	2,771,575	80
Capital surplus						
3200	Capital surplus	6(18)	1,602	-	1,602	-
Retained earnings						
3310	Legal reserve	6(19)	66,221	2	55,352	2
3320	Special reserve		440,379	12	366,594	11
3350	Unappropriated retained earnings		189,060	5	116,215	3
Other equity interest						
3400	Other equity interest	6(20)	( 430,389)	( 12)	( 499,642)	( 15)
3XXX	<b>Total equity</b>		<u>3,038,448</u>	<u>81</u>	<u>2,811,696</u>	<u>81</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet date						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 3,745,432</u>	<u>100</u>	<u>\$ 3,472,239</u>	<u>100</u>

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

ACTION ELECTRONICS CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Items	Notes	Year ended December 31				
		2024		2023		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(21) and 7	\$ 518,817	100	\$ 575,953	100
5000	Operating costs	6(5)(26) and 7	( 423,571)	( 82)	( 475,913)	( 82)
5900	Gross profit from operations		95,246	18	100,040	18
	Operating expenses	6(26) and 7				
6100	Selling expenses		( 90,086)	( 17)	( 112,225)	( 19)
6200	Administrative expenses		( 73,343)	( 14)	( 72,225)	( 13)
6450	Impairment loss determined in accordance with IFRS 9		-	-	( 4,888)	( 1)
6000	Total operating expenses		( 163,429)	( 31)	( 189,338)	( 33)
6900	Net operating loss		( 68,183)	( 13)	( 89,298)	( 15)
	Non-operating income and expenses					
7100	Interest income	6(22) and 7	6,862	1	3,915	1
7010	Other income	6(23) and 7	39,914	8	21,834	4
7020	Other gains and losses	6(24)	499,389	96	( 7,918)	( 2)
7050	Finance costs	6(25) and 7	( 12,098)	( 2)	( 10,462)	( 2)
7070	Share of (loss) profit of associates and joint ventures accounted for using equity method	6(6)	( 271,913)	( 53)	185,186	32
7000	Total non-operating income and expenses		262,154	50	192,555	33
7900	<b>Profit before income tax</b>		193,971	37	103,257	18
7950	Income tax expense (benefit)	6(27)	( 10,245)	( 2)	5,736	1
8200	<b>Profit for the year</b>		\$ 183,726	35	\$ 108,993	19
	<b>Other comprehensive income</b>					
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311	Gains (losses) on remeasurements of defined benefit plans	6(16)	\$ 639	-	( \$ 105)	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(2)(20)	( 13,686)	( 2)	( 35,723)	( 6)
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		978	-	( 216)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)	( 128)	-	21	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		( 12,197)	( 2)	( 36,023)	( 6)
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Exchange differences on translation	6(20)	104,136	20	( 38,174)	( 7)
8367	Unrealised gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	6(2)(20)	( 370)	-	-	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(20)	( 20,827)	( 4)	7,634	1
8360	Components of other comprehensive income that will be reclassified to profit or loss		82,939	16	( 30,540)	( 6)
8300	<b>Other comprehensive income</b>		\$ 70,742	14	( \$ 66,563)	( 12)
8500	<b>Total comprehensive income</b>		\$ 254,468	49	\$ 42,430	7
	Earnings per share (in dollars)	6(28)				
9750	Basic earnings per share		\$ 0.66		\$ 0.39	
9850	Diluted earnings per share		\$ 0.66		\$ 0.39	

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

ACTION ELECTRONICS CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Retained Earnings				Other equity interest		Total equity	
		Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements		Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income
<u>2023</u>									
Balance at January 1.		\$ 2,771,575	\$ 1,602	\$ 45,893	\$ 242,116	\$ 202,434	(\$ 481,201)	\$ 47,822	\$ 2,830,241
Profit for the year		-	-	-	-	108,993	-	-	108,993
Other comprehensive loss		-	-	-	-	(300)	(30,540)	(35,723)	(66,563)
Total comprehensive income		-	-	-	-	108,693	(30,540)	(35,723)	42,430
Appropriation and distribution of 2022 retained earnings	6(19)								
Legal reserve appropriaed		-	-	9,459	-	(9,459)	-	-	-
Special reserve appropriaed		-	-	-	124,478	(124,478)	-	-	-
Cash dividends of ordinary share		-	-	-	-	(60,975)	-	-	(60,975)
Balance at December 31.		\$ 2,771,575	\$ 1,602	\$ 55,352	\$ 366,594	\$ 116,215	(\$ 511,741)	\$ 12,099	\$ 2,811,696
<u>2024</u>									
Balance at January 1.		\$ 2,771,575	\$ 1,602	\$ 55,352	\$ 366,594	\$ 116,215	(\$ 511,741)	\$ 12,099	\$ 2,811,696
Profit for the year		-	-	-	-	183,726	-	-	183,726
Other comprehensive income		-	-	-	-	1,489	83,309	(14,056)	70,742
Total comprehensive income		-	-	-	-	185,215	83,309	(14,056)	254,468
Appropriation and distribution of 2023 retained earnings	6(19)								
Legal reserve appropriaed		-	-	10,869	-	(10,869)	-	-	-
Special reserve appropriaed		-	-	-	73,785	(73,785)	-	-	-
Cash dividends of ordinary share		-	-	-	-	(27,716)	-	-	(27,716)
Balance at December 31.		\$ 2,771,575	\$ 1,602	\$ 66,221	\$ 440,379	\$ 189,060	(\$ 428,432)	\$ 1,957	\$ 3,038,448

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

ACTION ELECTRONICS CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31	
		2024	2023
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 193,971	\$ 103,257
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(26)	16,019	14,724
Amortisation	6(26)	9,019	9,345
Expected credit loss		-	4,888
Interest income	6(22)	( 6,862 )	( 3,915 )
Dividend income	6(23)	( 304 )	( 4,941 )
Interest expense	6(25)	12,098	10,462
Share of profit of subsidiaries and associates accounted for using the equity method	6(6)	271,913	( 185,186 )
Loss on disposal of property, plant and equipment	6(24)	991	8,578
Gain from disposal of investment property		( 506,558 )	-
Gain from lease modification	6(24)	( 354 )	-
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		50,233	( 47,213 )
Other receivables		( 1,261 )	4,080
Inventories		110,318	7,243
Other current assets		( 16,862 )	2,348
Changes in operating liabilities			
Contract liabilities		531	12,433
Accounts payable		( 49,534 )	23,116
Other payables		( 11,666 )	( 2,699 )
Provisions		( 224 )	68
Net defined benefit liability		( 4 )	107
Other current liabilities		( 6,703 )	3,618
Cash inflow (outflow) generated from operations		64,761	( 39,687 )
Interest received		6,862	3,915
Dividends received		122,288	98,656
Interest paid		( 12,098 )	( 10,462 )
Income taxes paid		( 16,691 )	( 5,583 )
Net cash flows from operating activities		<u>165,122</u>	<u>46,839</u>

(Continued)

ACTION ELECTRONICS CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31	
		2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assests measured at fair value through other comprehensive income	6(2)	(\$ 37,593 )	\$ -
Acquisition of property, plant and equipment	6(29)	( 1,093 )	( 2,370 )
Disposal of property, plant and equipment	6(29)	905	13,866
Acquisition of intangible assets	6(11)	( 290 )	( 263 )
Acquisition of investment property	6(10)	( 26,789 )	( 12,684 )
Acquisition of investments accounted for using the equity method	6(6)	( 200,000 )	-
Proceeds from capital reduction of investments accounted for using equity method	6(6)	161,095	-
Increase in other receivables - related parties		( 100,196 )	( 100,178 )
Increase in other non-current assets		( 865 )	( 474 )
(Increase) Decrease in refundable deposits		( 296 )	1,100
Net cash flows used in investing activities		( 205,122 )	( 101,003 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in long-term borrowings	6(30)	-	200,000
Decrease in long-term borrowings	6(30)	( 60,000 )	( 100,000 )
Increase in short-term borrowings	6(30)	1,250,000	920,000
Decrease in short-term borrowings	6(30)	( 1,100,000 )	( 920,000 )
Increase in other payables - related parties		-	( 29,842 )
Increase in guarantee deposits received	6(30)	( 46 )	( 34 )
Payments of lease liabilities	6(30)	( 11,213 )	( 11,268 )
Cash dividends paid		( 27,716 )	( 60,975 )
Net cash flows from (used in) financing activities		51,025	( 2,119 )
Net increase (decrease) in cash and cash equivalents		11,025	( 56,283 )
Cash and cash equivalents at beginning of year		124,611	180,894
Cash and cash equivalents at end of year		\$ 135,636	\$ 124,611

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

ACTION ELECTRONICS CO., LTD.  
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

Action Electronics Co., Ltd. (the “Company”) was incorporated on July 21, 1976 and transferred its listing from the Taipei Exchange to the Taiwan Stock Exchange in August 2000. The Company is primarily engaged in the trade of audio-visual electronic products, various home appliances and other related products, housing and building development and rental, etc.

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

These parent company only financial statements were authorised for issuance by the Board of Directors on March 14, 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 effective from 2024 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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 Company’s financial condition and financial performance based on the Company’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 Company

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

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

(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 International Accounting Standards Board
Partial amendment content of 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 International Accounting Standards Board
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 Company's financial condition and financial performance based on the Company's assessment.

A. Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'

The FSC has partially endorsed specific provisions of Amendments to IFRS 9 and IFRS 7. The amendments not yet endorsed by the FSC as listed below require an entity to:

Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

B. IFRS 18, ‘Presentation and disclosure in financial statements’

IFRS 18, ‘Presentation and disclosure in financial statements’ 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 parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

(2) Basis of preparation

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

- (a) Financial assets and financial liabilities at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of 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 Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

A. Items included in the parent company only financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan dollars, which is the Company’s functional and presentation currency.

B. 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'.

#### C. Translation of foreign operations

- (a) The operating results and financial position of all the Company entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
  - i. Assets and liabilities presented in each balance sheet 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 an associate or joint arrangement, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale.
- (c) 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.
- (d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

#### (4) 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 that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;
  - (b) Assets that are held primarily for the purpose of trading;
  - (c) Assets that are expected to be realised within twelve months after the reporting period;
  - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after reporting period.

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 in the normal operating cycle;
- (b) Liabilities that are held primarily for the purpose of trading;
- (c) Liabilities that are due to be settled within twelve months after the reporting period;
- (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.

(5) Cash equivalents

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. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) 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 Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
  - (a) The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets; and
  - (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 fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:

- (a) The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.
- (b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(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 Company's business model is achieved by collecting contractual cash flows.
- (b) The assets' contractual cash flows represent solely payments of principal and interest.

B. The Company's time deposits 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 Company 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) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost including accounts receivable that have a significant financing component, at each reporting date, the Company 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 or contract assets that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Company derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.

- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Company has not retained control of the financial asset.

(12) Inventories

The perpetual inventory system is adopted for inventory recognition. Inventories are initially recorded at cost. Borrowing costs incurred during the construction period (construction in progress) are capitalised. The cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. 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 the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

(13) Investments accounted for using equity method / subsidiaries and associates

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Inter-company transactions, balances and unrealised gains or losses on transactions between the Company and subsidiaries are eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise the losses in proportion to the ownership.
- D. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- E. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

- F. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognises the Company's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.
- G. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- H. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- I. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss.
- J. Pursuant to the Rules Governing the Preparation of Financial Statements by Securities Issuers, profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(14) Property, plant and equipment

- A. 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 Company 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. Property, plant and equipment are measured at cost model subsequently. Land is not depreciated. Other property, plant and equipment are depreciated using the straight-line method 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:

Buildings and structures	5 ~ 50 years
Machinery and equipment	5 ~ 9 years
Office equipment	3 ~ 6 years
Other equipment	3 ~ 5 years

(15) Leasing arrangements (lessee) – right-of-use assets/ lease liabilities

- 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 Company. 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 Company 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 amount of the initial measurement of lease liability. 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.

(16) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Borrowing costs incurred during the construction period are capitalised. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 11 ~ 50 years.

(17) Intangible assets

A. Trademarks and patents

Separately acquired trademarks and patents are stated at historical cost. Trademarks and patents acquired in a business combination are recognised at fair value at the acquisition date. Trademarks and patents have a finite useful life and are amortised on a straight-line basis over their estimated useful lives of 2 to 50 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 Company 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 recognized.

(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) Notes and accounts payable

A. Accounts payable are liabilities for purchases of 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.

(21) Derecognition of financial liabilities

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

(22) Provisions

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

(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. Pension

(a) Defined contribution plan

For the 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 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 that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability
- ii. Remeasurements arising on the defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past-service costs are recognised immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Company recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' 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.

(24) Income tax

- 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 operates and generates 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 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 parent company only balance sheet. 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 Company 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

A. Sales of goods

- (a) The Company manufactures and sells audio-visual electronic products, a variety of home appliances and other related products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, 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 Company has objective evidence that all criteria for acceptance have been satisfied.
- (b) Revenue from sales is recognised based on the price specified in the contract, net of the estimated sales returns, discounts and other allowances. Accumulated experience is used to estimate and provide for the sales returns, discounts and other allowances, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A refund liability (shown as other current liabilities) and an asset recognised as right to recover products from customers (shown as other current assets, others) are recognised for expected sales returns and allowances payable to customers in relation to sales made until the end of the reporting period. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.
- (c) The Company's obligation to provide a repair for faulty products under the standard warranty terms is recognised as a provision.
- (d) 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.

B. Rental revenue

The Company held investment properties to earn rentals, and rental revenue is recognised on a straight-line basis over the lease term.

### C. Intellectual property licensing income

The Company entered into a contract with a customer to grant a licence of trademarks to the customer. Given the licence is distinct from other promised goods or services in the contract, the Company recognises the revenue from licencing when the licence transfer to a customer.

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

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company'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:

### (1) Critical judgements in applying the Company's accounting policies

There were no critical judgements in applying the Company's accounting policies during the year.

### (2) Critical accounting estimates and assumptions

#### A. Impairment assessment of intangible assets(assessment of trademark impairment)

The Company assesses impairment based on its subjective judgement and determines the separate cash flows of a specific group of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on how assets are utilised and industrial characteristics. Any changes of economic circumstances or estimates due to the change of Company strategy might cause material impairment on assets in the future.

Details of the Company's intangible assets with trademark as of December 31, 2024 are provided in Note 6(11).

#### B. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company 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.

Details of the carrying amount of inventories as of December 31, 2024 are provided in Note 6(5).

## 6. Details of Significant Accounts

### (1) Cash and cash equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand and revolving funds	\$ 221	\$ 210
Checking accounts and demand deposits	102,630	124,401
Time deposits	32,785	-
	<u>\$ 135,636</u>	<u>\$ 124,611</u>

A. The Company associates 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. The Company has no cash and cash equivalents pledged to others.

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

Items	December 31, 2024	December 31, 2023
Current items :		
Debt instruments		
Government bonds	\$ 5,054	\$ -
Corporate bonds	4,539	-
	9,593	-
Valuation adjustment	( 370)	-
	9,223	-
Equity instruments		
Emerging stocks	63,943	63,943
Valuation adjustment	( 1,587)	12,099
	62,356	76,042
	\$ 71,579	\$ 76,042
Non-current items :		
Equity instruments		
Unlisted stocks	\$ 28,000	\$ -

A. The Company has elected to classify strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$99,579 and \$76,042 as at December 31, 2024 and 2023, respectively.

B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Year ended December 31	
	2024	2023
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 13,686)	(\$ 35,723)
Dividend income recognised in profit or loss		
Held at end of period	\$ 304	\$ 4,941
<u>Debt instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 370)	\$ -
Interest income recognised in profit or loss	\$ 194	\$ -

C. As at 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 fair value through other comprehensive income held by the Company was \$99,579 and \$76,042, respectively.

D. As at December 31, 2024 and 2023, the Company has no pledge financial assets at fair value through other comprehensive income to others as collateral.

E. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(3) Notes and accounts receivable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes receivable	\$ 3,154	\$ 12,657
Accounts receivable(including related parties)	47,909	88,639
Less: Loss allowance	( 4,691)	( 4,691)
	<u>\$ 46,372</u>	<u>\$ 96,605</u>

A. As of December 31, 2024 and 2023, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2023, the balance of receivables from contracts with customers amounted to \$58,983.

B. As of December 31, 2024 and 2023, the Company has no notes and accounts receivable pledged to others.

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

(4) Other receivables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Other receivables-related parties	\$ 297,218	\$ 195,867
Others	173	67
	<u>\$ 297,391</u>	<u>\$ 195,934</u>
Less: Loss allowance	( 79,369)	( 79,369)
	<u>\$ 218,022</u>	<u>\$ 116,565</u>

Other receivables-related parties are provided in Note 7.

(5) Inventories

	<u>December 31, 2024</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Merchandise	\$ 81,480	(\$ 6,359)	\$ 75,121
Inventory in transit	6,339	-	6,339
Construction in progress	67,612	-	67,612
	<u>\$ 155,431</u>	<u>(\$ 6,359)</u>	<u>\$ 149,072</u>

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Merchandise	\$ 152,705	(\$ 5,937)	\$ 146,768
Inventory in transit	25,458	-	25,458
Construction in progress	139,084	-	139,084
	<u>\$ 317,247</u>	<u>(\$ 5,937)</u>	<u>\$ 311,310</u>

The cost of inventories recognised as expense for the year:

	Year ended December 31	
	2024	2023
Cost of goods sold	\$ 388,484	\$ 435,456
Losses on inventory valuation	422	1,309
Others	34,665	39,148
	<u>\$ 423,571</u>	<u>\$ 475,913</u>

Information on inventories-construction in progress pledged to others as collateral is provided Note 8.

(6) Investments accounted for using equity method

A. Details are as follows :

	December 31, 2024	December 31, 2023
ACTION ASIA LTD.(AAL)	\$ 1,229,082	\$ 1,259,720
ALMOND GARDEN CORP.(AGC)	826,693	841,258
FAR YEAR CONSTRUCTION CO., LTD.(AFY)	-	157,491
REALISE TECH-SERVICE CO., LTD.	47,186	40,571
	<u>\$ 2,102,961</u>	<u>\$ 2,299,040</u>

Credit balance of investments accounted for using equity method (shown as other non-current liabilities)

FAR YEAR CONSTRUCTION CO., LTD.	\$ 53,799	\$ -
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B. For the years ended December 31, 2024 and 2023, the share of profit or loss of subsidiaries for using the equity method is as follows:

	Year ended December 31	
	2024	2023
ACTION ASIA LTD.(AAL)	\$ 83,169	\$ 124,122
ALMOND GARDEN CORP.(AGC)	50,571	75,259
FAR YEAR CONSTRUCTION CO., LTD. (AFY)	( 411,290)	( 18,023)
REALISE TECH-SERVICE CO., LTD.	5,637	3,828
	<u>(\$ 271,913)</u>	<u>\$ 185,186</u>

- C. The Company's net investment income or loss accounted for using equity method are recognized based on the financial reports of the subsidiaries that have been audited by accountants during the same period.
- D. The Company exchanged the lands and buildings with its subsidiary, AFY, due to the agreement of joint construction with house divided. The Company recognised share of profit or loss of subsidiaries accounted for using the equity method and gains on disposals of investment property. The related information is provided in Note 6(10) D.
- E. As of December 31, 2024 and 2023, the amounts of the oversea subsidiarys' dividends was \$121,984 and \$93,715, respectively.
- F. The Company's subsidiary, AAL, reduced its capital in January 2024 and September 2024, amounting to \$51,560 and \$37,625, respectively.
- G. The Company's subsidiary, AGC, reduced its capital in January 2024 and September 2024, amounting to \$41,263 and \$30,647, respectively.
- H. The Company participated in the capital increase of its subsidiary, AFY, in August 2024 and November 2024, both amounting to \$100,000.
- I. Please refer to Note 4(3) in the 2024 consolidated financial statements for the information regarding the Company's subsidiaries.

(7) Property, plant and equipment

	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Total</u>
<u>January 1, 2024</u>						
Cost	\$ 3,104	\$ 2,143	\$ 6,485	\$ 4,113	\$ 3,683	\$ 19,528
Accumulated depreciation	-	(1,660)	(6,385)	(3,451)	(1,685)	(13,181)
	<u>\$ 3,104</u>	<u>\$ 483</u>	<u>\$ 100</u>	<u>\$ 662</u>	<u>\$ 1,998</u>	<u>\$ 6,347</u>
<u>Year ended December 31, 2024</u>						
Opening net book amount as at January 1	\$ 3,104	\$ 483	\$ 100	\$ 662	\$ 1,998	\$ 6,347
Additions	-	158,506	-	1,093	-	159,599
Disposals	-	(135)	(94)	-	(423)	(652)
Transfers	6,786	-	-	-	(231)	6,555
Depreciation charge	-	(762)	(6)	(570)	(729)	(2,067)
Closing net book amount as at December 31	<u>\$ 9,890</u>	<u>\$ 158,092</u>	<u>\$ -</u>	<u>\$ 1,185</u>	<u>\$ 615</u>	<u>\$ 169,782</u>
<u>December 31, 2024</u>						
Cost	\$ 9,890	\$ 160,307	\$ -	\$ 5,047	\$ 2,836	\$ 178,080
Accumulated depreciation	-	(2,215)	-	(3,862)	(2,221)	(8,298)
	<u>\$ 9,890</u>	<u>\$ 158,092</u>	<u>\$ -</u>	<u>\$ 1,185</u>	<u>\$ 615</u>	<u>\$ 169,782</u>

	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Total</u>
<u>January 1, 2023</u>						
Cost	\$ 41,945	\$ 38,711	\$ 7,225	\$ 4,278	\$ 3,067	\$ 95,226
Accumulated depreciation	-	( 30,431)	( 6,012)	( 3,403)	( 1,087)	( 40,933)
	<u>\$ 41,945</u>	<u>\$ 8,280</u>	<u>\$ 1,213</u>	<u>\$ 875</u>	<u>\$ 1,980</u>	<u>\$ 54,293</u>

Year ended December 31, 2023

Opening net book amount as at January 1	\$ 41,945	\$ 8,280	\$ 1,213	\$ 875	\$ 1,980	\$ 54,293
Additions	-	216	-	138	2,016	2,370
Disposals	( 5,473)	( 16,738)	( 233)	-	-	( 22,444)
Transfers	( 33,368)	9,391	-	-	( 1,400)	( 25,377)
Depreciation charge	-	( 666)	( 880)	( 351)	( 598)	( 2,495)
Closing net book amount as at December 31	<u>\$ 3,104</u>	<u>\$ 483</u>	<u>\$ 100</u>	<u>\$ 662</u>	<u>\$ 1,998</u>	<u>\$ 6,347</u>

December 31, 2023

Cost	\$ 3,104	\$ 2,143	\$ 6,485	\$ 4,113	\$ 3,683	\$ 19,528
Accumulated depreciation	-	( 1,660)	( 6,385)	( 3,451)	( 1,685)	( 13,181)
	<u>\$ 3,104</u>	<u>\$ 483</u>	<u>\$ 100</u>	<u>\$ 662</u>	<u>\$ 1,998</u>	<u>\$ 6,347</u>

- A. The Company obtained building permit for the development project of ‘Yisheng zhihui Science and Technology Park-A zone’ in 2023, and the property was reclassified at the carrying amount at the time of changes in use. In accordance with IAS 40, starting from the change in the use of property, the entity shall transfer its properties to construction in progress (shown as ‘inventories’) and transfer its property to investment property-land based on the retained percentage. For the year ended December 31, 2023, the amounts transferred to inventories and investment property were \$35,764 and \$14,339, respectively.
- B. For the year ended December 31, 2024, the additions mainly referred to the exchange of the lands and buildings of ‘Yisheng Zhihui Science and Technology Park’ in accordance with the agreement of joint construction with house divided. The related information is provided in Note 6(10) D. The transfers mainly referred to the lands and buildings of ‘Yisheng zhihui Science and Technology Park’ transferred based on the purpose of use.

(8) Leasing arrangements – lessee

- A. The Company leases various assets including buildings and structure and transportation equipment. Rental contracts are typically made for periods of 2 to 5 years. 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 photocopiers. Low-value assets comprise office equipment.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Buildings and structures	\$ 9,242	\$ 30,983
	<u>Year ended December 31</u>	
	<u>2024</u>	<u>2023</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Buildings and structures	\$ 11,539	\$ 11,191
Transportation equipment	-	199
	<u>\$ 11,539</u>	<u>\$ 11,390</u>

- D. For the years ended December 31, 2024 and 2023, the additions to right-of-use assets were \$7,289 and \$2,330, respectively.
- E. The informaion on profit or loss in relation to lease contracts is as follows:

	<u>Year ended December 31</u>	
<u>Items affecting profit or loss</u>	<u>2024</u>	<u>2023</u>
Interest expense on lease liabilities	\$ 396	\$ 513
Expense on short-term lease contracts	1,106	1,123
Expense on leases of low-value assets	316	435
Gain on lease modification	354	-

- F. For the years ended December 31, 2024 and 2023, the Company's total cash outflow for leases were \$13,031 and \$13,339, respectively.

(9) Leasing arrangements – lessor

- A. The Company leases various assets including land and buildings. Rental contracts are typically made for periods of 3 and 6 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 sublet, subleased and used as security, whether in whole or in part, by lessees.
- B. For the years ended December 31, 2024 and 2023, the Company recognised rent income in the amounts of \$4,763 and \$4,379, respectively, based on the operating lease agreement.

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
1 st year	\$ 4,188	\$ 3,882
2 nd year	4,054	2,171
3 rd year	2,533	2,171
4 th year	2,171	2,171
After 5 th year	724	2,895
	<u>\$ 13,670</u>	<u>\$ 13,290</u>

(10) Investment property

	<u>2024</u>			
	<u>Land</u>	<u>Buildings and structures</u>	<u>Investment property under construction</u>	<u>Total</u>
At January 1				
Cost	\$ 79,890	\$ 34,809	\$ 10,262	\$ 124,961
Accumulated depreciation	<u>-</u>	<u>( 20,721)</u>	<u>-</u>	<u>( 20,721)</u>
	<u>\$ 79,890</u>	<u>\$ 14,088</u>	<u>\$ 10,262</u>	<u>\$ 104,240</u>
Opening net book amount as at January 1	\$ 79,890	\$ 14,088	\$ 10,262	\$ 104,240
Additions	10,867	405,843	-	416,710
Disposals	( 41,869)	-	-	( 41,869)
Transfers	50,615	-	( 5,481)	45,134
Depreciation charge	<u>-</u>	<u>( 2,413)</u>	<u>-</u>	<u>( 2,413)</u>
Closing net book amount as at December 31	<u>\$ 99,503</u>	<u>\$ 417,518</u>	<u>\$ 4,781</u>	<u>\$ 521,802</u>
At December 31				
Cost	\$ 99,503	\$ 440,652	\$ 4,781	\$ 544,936
Accumulated depreciation	<u>-</u>	<u>( 23,134)</u>	<u>-</u>	<u>( 23,134)</u>
	<u>\$ 99,503</u>	<u>\$ 417,518</u>	<u>\$ 4,781</u>	<u>\$ 521,802</u>

	2023			
	Land	Buildings and structures	property under construction	Total
At January 1				
Cost	\$ 83,798	\$ 59,584	\$ 10,262	\$ 153,644
Accumulated depreciation	-	( 39,927)	-	( 39,927)
	<u>\$ 83,798</u>	<u>\$ 19,657</u>	<u>\$ 10,262</u>	<u>\$ 113,717</u>
Opening net book amount as at January 1				
	\$ 83,798	\$ 19,657	\$ 10,262	\$ 113,717
Additions	12,684	-	-	12,684
Transfers	( 16,592)	( 4,730)	-	( 21,322)
Depreciation charge	-	( 839)	-	( 839)
Closing net book amount as at December 31	<u>\$ 79,890</u>	<u>\$ 14,088</u>	<u>\$ 10,262</u>	<u>\$ 104,240</u>
At December 31				
Cost	\$ 79,890	\$ 34,809	\$ 10,262	\$ 124,961
Accumulated depreciation	-	( 20,721)	-	( 20,721)
	<u>\$ 79,890</u>	<u>\$ 14,088</u>	<u>\$ 10,262</u>	<u>\$ 104,240</u>

- A. To active the assets, the Company used its land on No. 239 and 240-1, Zhonggong Sec., Zhongli Dist. and land on No. 241, Zhonggong Sec., Zhongli Dist. held by Youyuanlai Investment Co., Ltd. to jointly build and develop ‘Yisheng Zhihui Science and Technology Park’ and commissioned the subsidiary, FAR YEAR CONSTRUCTION CO., LTD., to develop and construct as approved by the Board of Directors on June 15, 2020. The Company has reclassified the properties to investment properties using the carrying amounts at the time of change in use.
- B. In the second quarter of 2021, the Company changed its plan regarding the future operating purpose of the ‘Yisheng Zhihui Science and Technology Park’ development project and decided to commission Haiju Development Co., Ltd. by the subsidiary, FAR YEAR CONSTRUCTION CO., LTD., to sell the properties of this project. In accordance with IAS 40, the Company shall transfer the assets from investment properties to construction in progress (shown as ‘inventories’) when there is a change in use of property.
- C. The Company applied for a change of land planning to increase building bulk, and the application has been approved by the Ministry of Economic Affairs. According to the restrictions on property rights of increased building bulk under the agreement, 28.62% of area A and 21.29% of area B shall be retained and shall not be transferred to others without the consent of the Ministry of Economic Affairs within 5 years. The Company recorded the retained property as property, plant and equipment and investment property, respectively, based on the purpose of use.

As of December 31, 2024, ‘Yisheng Zhihui Science and Technology Park-B zone’ had been completed and transferred and the registration of the property rights was completed. Based on the restrictions of the agreement, the transferred amount was \$369,144, of which \$6,786 was recorded as property, plant and equipment - land, \$115,623 was recorded as property, plant and equipment - buildings and structures, \$13,703 was recorded as investment property - land and \$233,032 was recorded as investment property - buildings and structures. The value of the retained property for ‘Yisheng zhihui Science and Technology Park-A zone’ calculated based on the retained ratio was recorded as investment property - land and investment property - buildings under construction amounting to \$22,326 and \$4,781, respectively, and the value of the unreserved property was recorded as inventories - construction in progress amounting to \$67,612.

- D. The additions and the disposals for the year ended December 31, 2024 mainly referred to the exchange of the Company’s lands for the buildings of its subsidiary, FAR YEAR CONSTRUCTION CO., LTD. in accordance with the agreement of joint construction with house divided after ‘Yisheng zhihui Science and Technology Park-B zone’ was completed and transferred. The registration of the property rights in relation to the lands and buildings has been completed. The Company recognised gains on disposals of investment property amounting to \$506,558 since the exchange in accordance with the joint construction with house divided had commercial substance. In addition, the gains on disposals of investment property were shown as the additions of property, plant and equipment and investment property, respectively, based on the assets’ purpose of use. However, since the counterparty was the Company’s subsidiary, the Company eliminated the unrealised gains on disposals of investment property of \$506,558 arising from downstream transactions in accordance with the regulations. Accordingly, the Company recognised investment loss on subsidiaries accounted for using the equity method of \$506,558, which was shown as a deduction to the investments accounted for using equity method.
- E. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Year ended December 31	
	2024	2023
Rental income from investment property	\$ 4,763	\$ 4,306
Direct operating expenses arising from the investment property that generated rental income during the year	\$ 4,444	\$ 3,615

- F. The fair value of the investment property held by the Company as at December 31, 2024 and 2023 was \$884,297 and \$481,603, respectively, which was valued based on quoted prices in the neighboring area by real estate agents and actual price registration information posted in the official search system which is categorised within Level 3 in the fair value hierarchy.
- G. Information about the investment property that was pledged to others as collaterals is provided in Note 8.

(11) Intangible assets

	2024			
	<u>Kolin trademark</u>	<u>Patents</u>	<u>Software</u>	<u>Total</u>
<u>January 1, 2024</u>				
Cost	\$ 289,185	\$ 276	\$ 4,225	\$ 293,686
Accumulated amortisation	( 81,290)	( 276)	( 2,864)	( 84,430)
	<u>\$ 207,895</u>	<u>\$ -</u>	<u>\$ 1,361</u>	<u>\$ 209,256</u>
 <u>2024</u>				
Opening net book amount as at January 1	\$ 207,895	\$ -	\$ 1,361	\$ 209,256
Additions	52	-	238	290
Transfers	-	-	231	231
Amortisation charge	( 5,543)	-	( 631)	( 6,174)
Closing net book amount as at December 31	<u>\$ 202,404</u>	<u>\$ -</u>	<u>\$ 1,199</u>	<u>\$ 203,603</u>
 <u>December 31, 2024</u>				
Cost	\$ 289,237	\$ 276	\$ 4,694	\$ 294,207
Accumulated amortisation	( 86,833)	( 276)	( 3,495)	( 90,604)
	<u>\$ 202,404</u>	<u>\$ -</u>	<u>\$ 1,199</u>	<u>\$ 203,603</u>

	2023			
	<u>Kolin trademark</u>	<u>Patents</u>	<u>Software</u>	<u>Total</u>
<u>January 1, 2023</u>				
Cost	\$ 289,123	\$ 276	\$ 2,624	\$ 292,023
Accumulated amortisation	( 75,756)	( 276)	( 2,168)	( 78,200)
	<u>\$ 213,367</u>	<u>\$ -</u>	<u>\$ 456</u>	<u>\$ 213,823</u>

2023

Opening net book amount as at January 1	\$ 213,367	\$ -	\$ 456	\$ 213,823
Additions	62	-	201	263
Transfers	-	-	1,400	1,400
Amortisation charge	( 5,534)	-	( 696)	( 6,230)
Closing net book amount as at December 31	<u>\$ 207,895</u>	<u>\$ -</u>	<u>\$ 1,361</u>	<u>\$ 209,256</u>

December 31, 2023

Cost	\$ 289,185	\$ 276	\$ 4,225	\$ 293,686
Accumulated amortisation	( 81,290)	( 276)	( 2,864)	( 84,430)
	<u>\$ 207,895</u>	<u>\$ -</u>	<u>\$ 1,361</u>	<u>\$ 209,256</u>

Details of amortisation on intangible assets are as follow:

	Year ended December 31	
	<u>2024</u>	<u>2023</u>
Administrative expenses	<u>\$ 6,174</u>	<u>\$ 6,230</u>

(12) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2024</u>	<u>Interest rate</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	\$ 166,200	2.100%~2.303%	None
Secured borrowings	173,800	2.095%~2.114%	Refer to Note 8
	<u>\$ 340,000</u>		
<u>Type of borrowings</u>	<u>December 31, 2023</u>	<u>Interest rate</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	\$ 50,000	1.902%	None
Secured borrowings	140,000	1.88%~1.975%	Refer to Note 8
	<u>\$ 190,000</u>		

(13) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2024</u>
Long-term bank borrowings				
Secured borrowings	Borrowing period is from August 2023 to August 2026; interest is repayable monthly; principal is repayable at maturity.	2.335%	Refer to Note 8	\$ 100,000
Secured borrowings	Borrowing period is from December 2023 to December 2026; interest is repayable monthly; principal is repayable at maturity.	2.335%	Refer to Note 8	100,000
Less : Long-term borrowings due within one year or one operating cycle				-
				<u>\$ 200,000</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2023
Long-term bank borrowings				
Secured borrowings	Borrowing period is from June 2021 to June 2024; interest is repayable monthly; principal is repayable at maturity.	2.40%	Refer to Note 8	\$ 60,000
Secured borrowings	Borrowing period is from August 2023 to August 2026; interest is repayable monthly; principal is repayable at maturity.	2.21%	Refer to Note 8	100,000
Secured borrowings	Borrowing period is from December 2023 to December 2026; interest is repayable monthly; principal is repayable at maturity.	2.21%	Refer to Note 8	100,000
Less : Long-term borrowings due within one year or one operating cycle				( 60,000)
				<u>\$ 200,000</u>

(14) Other payables

	December 31, 2024	December 31, 2023
Employee bonus payable	\$ 7,424	\$ 8,066
Wages and salaries and bonuses payable	5,639	5,503
Directors' and supervisors' remuneration payable	4,341	3,596
Service expenses payable	4,395	4,742
Environmental recycling fees payable	4,371	2,619
Freight payable	3,806	9,829
Marketing fees payable	3,303	3,045
Other payables — related parties	1,490	5,087
Others	3,464	7,412
	<u>\$ 38,233</u>	<u>\$ 49,899</u>

Other payables — related parties are provided in Note 7.

(15) Provisions

	Warranty	
	2024	2023
At January 1	\$ 673	\$ 605
Additional provisions	5,973	2,966
Used during the year	(6,197)	(2,898)
At December 31	<u>\$ 449</u>	<u>\$ 673</u>

Analysis of total provisions:

	December 31, 2024	December 31, 2023
Current	<u>\$ 293</u>	<u>\$ 504</u>
Non-current	<u>\$ 156</u>	<u>\$ 169</u>

The Company gives warranties on home appliances, LCD players and other applications. Provision for warranty is estimated based on historical warranty data of such products. It is expected that provision for warranty will be used during the next 1 ~ 3 years.

(16) Pension

A. Defined benefit plans

- (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 Law. 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% 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 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.

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

	December 31, 2024	December 31, 2023
Present value of defined benefit obligations	(\$ 6,528)	(\$ 6,687)
Fair value of plan assets	<u>3,259</u>	<u>2,775</u>
Net defined benefit liability (shown as other non-current liabilities)	<u>(\$ 3,269)</u>	<u>(\$ 3,912)</u>

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

	2024		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	(\$ 6,687)	\$ 2,775	(\$ 3,912)
Interest income	-	33	33
Current service cost	( 80)	-	( 80)
	<u>( 6,767)</u>	<u>2,808</u>	<u>( 3,959)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	400	400
Change in financial assumptions	149	-	149
Experience adjustments	90	-	90
	<u>239</u>	<u>400</u>	<u>639</u>
Pension fund contribution	-	51	51
At December 31	<u><u>(\$ 6,528)</u></u>	<u><u>\$ 3,259</u></u>	<u><u>(\$ 3,269)</u></u>
	2023		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	(\$ 11,841)	\$ 8,036	(\$ 3,805)
Interest income	-	96	96
Current service cost	( 142)	-	( 142)
	<u>( 11,983)</u>	<u>8,132</u>	<u>( 3,851)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	91	91
Change in financial assumptions	-	-	-
Experience adjustments	( 196)	-	( 196)
	<u>( 196)</u>	<u>91</u>	<u>( 105)</u>
Pension fund contribution	-	44	44
Paid pension	5,492	( 5,492)	-
	<u>5,492</u>	<u>( 5,448)</u>	<u>44</u>
At December 31	<u><u>(\$ 6,687)</u></u>	<u><u>\$ 2,775</u></u>	<u><u>(\$ 3,912)</u></u>

(d) 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 has no right to participate in managing and operating that Fund and therefore, the Company is 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.

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

	Year ended December 31	
	2024	2023
Discount rate	1.6%	1.2%
Future salary increases	1.5%	1.5%

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	(\$ 91)	\$ 93	\$ 76	(\$ 75)
December 31, 2023				
Effect on present value of defined benefit obligation	(\$ 101)	\$ 104	\$ 87	(\$ 85)

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 were consistent with previous period.

(f) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2025 amount to \$646.

(g) As of December 31, 2024, the weighted average duration of the retirement plan is 6 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$	646
1 ~ 2 year(s)		590
2 ~ 5 years		1,788
Over 5 years		3,462
	\$	<u>6,486</u>

#### B. Defined contribution plans

(a) Effective July 1, 2005, the Company and its domestic subsidiaries have 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.

(b) The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2024 and 2023 were \$2,656 and \$2,912, respectively.

#### (17) Share capital

As of December 31, 2024, the Company’s authorised capital was \$4,500,000, and the paid-in capital was \$2,771,575, consisting of 277,158 thousand shares of ordinary stock, with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

#### (18) 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.

	2024		
	Overdue dividends	Changes in ownership interests in subsidiaries	Total
At January 1 (at December 31)	\$ 259	\$ 1,343	\$ 1,602

	2023		
	Overdue dividends	Changes in ownership interests	
		in subsidiaries	
At January 1 (at December 31)	\$ 259	\$ 1,343	\$ 1,602

(19) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the paid-in capital. After setting aside or reversing a special reserve in accordance with the laws and requirements by competent authority, the appropriation of the remaining earnings, along with the unappropriated earnings, shall be proposed by the Board of Directors and resolved at the shareholders' meeting as dividends to shareholders.
- B. In accordance with the Company's dividend policy in the Articles of Incorporation, dividends are distributed by taking into consideration the Company's operational needs and shareholders' maximum interests, future capital expenditures and capital needs. Cash dividends shall account for at least 30% of the total dividends distributed.
- C. 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.
- D. 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.
- E. The appropriations of 2023 and 2022 earnings as resolved at the shareholders' meetings on June 14, 2024 and June 26, 2023, respectively, are as follows:

	<u>Year ended December 31, 2023</u>		<u>Year ended December 31, 2022</u>	
	<u>Amount</u>	<u>Dividend per share (in dollars)</u>	<u>Amount</u>	<u>Dividend per share (in dollars)</u>
Legal surplus	\$ 10,869		\$ 9,459	
Special reserve	73,785		124,478	
Cash dividends	<u>27,716</u>	0.10	<u>60,975</u>	0.22
	<u>\$ 112,370</u>		<u>\$ 194,912</u>	

The aforementioned resolutions were in agreement with those resolved by the Board of Directors on March 12, 2024 and March 14, 2023. Information will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

F. The appropriation of 2024 earnings as proposed by the Board of Directors on March 14, 2025 is as follows:

	<u>Year ended December 31, 2024</u>	
	<u>Amount</u>	<u>Dividend per share (in dollars)</u>
Legal reserve appropriated	\$ 18,522	
Special reserve reserved	( 9,990)	
Cash dividends	<u>110,863</u>	\$ 0.40
	<u>\$ 119,395</u>	

As of March 14, 2025, the aforementioned appropriation of 2024 earnings has not yet been resolved at the shareholders' meeting.

(20) Other equity items

	<u>2024</u>		
	<u>Foreign exchange translation adjustments</u>	<u>Unrealised gains (losses) on valuation</u>	<u>Total</u>
At January 1	(\$ 511,741)	\$ 12,099	(\$ 499,642)
Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income:			
- Revaluation	-	( 14,056)	( 14,056)
Currency translation differences:			
- Group	104,136	-	104,136
- Tax on Group	( 20,827)	-	( 20,827)
At December 31	<u>(\$ 428,432)</u>	<u>\$ 1,957</u>	<u>(\$ 430,389)</u>

  

	<u>2023</u>		
	<u>Foreign exchange translation adjustments</u>	<u>Unrealised gains (losses) on valuation</u>	<u>Total</u>
At January 1	(\$ 481,201)	\$ 47,822	(\$ 433,379)
Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income:			
- Revaluation	-	( 35,723)	( 35,723)
Currency translation differences:			
- Group	( 38,174)	-	( 38,174)
- Tax on Group	7,634	-	7,634
At December 31	<u>(\$ 511,741)</u>	<u>\$ 12,099</u>	<u>(\$ 499,642)</u>



(23) Other income

	Year ended December 31	
	2024	2023
Rental income	\$ -	\$ 2,854
Dividend income	304	4,941
Income from managerial services	4,925	5,613
Income from endorsements and guarantees	6,340	6,053
Other income	28,345	2,373
	<u>\$ 39,914</u>	<u>\$ 21,834</u>

(24) Other gains and losses

	Year ended December 31	
	2024	2023
Losses on disposals of property, plant and equipment (\$	991)	(\$ 8,578)
Gains on disposals of investment property	506,558	-
Gains arising from lease modifications	354	-
(Loss) gain on net currency exchange	( 5,061)	914
Others	( 1,471)	( 254)
	<u>\$ 499,389</u>	<u>(\$ 7,918)</u>

The Company exchanged the lands and buildings with its subsidiary, AFY, due to the agreement of joint construction with house divided. The Company recognised share of profit or loss of subsidiaries accounted for using the equity method and gains on disposals of investment property. The related information is provided in Note 6(10) D.

(25) Finance costs

	Year ended December 31	
	2024	2023
Interest expense on bank borrowings	\$ 11,702	\$ 9,067
Interest expense on loans from subsidiaries	-	882
Interest expense on lease liabilities	396	513
	<u>\$ 12,098</u>	<u>\$ 10,462</u>

(26) Employee benefits, depreciation and amortisation expenses

	Year ended December 31	
	2024	2023
Employee benefit expense		
Wages and salaries	\$ 54,224	\$ 55,303
Labour and health insurance fees	5,181	5,917
Pension costs	2,703	2,958
Director's remuneration	4,941	4,745
Other employee benefit expense	3,276	2,965
Subtotal	<u>\$ 70,325</u>	<u>\$ 71,888</u>
Depreciation charge	<u>\$ 16,019</u>	<u>\$ 14,724</u>
Amortisation charge	<u>\$ 9,019</u>	<u>\$ 9,345</u>

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 not be lower than 1% for employees' compensation and shall not be higher than 3% for directors' remuneration. Independent directors do not participate in the distribution. If the Company has accumulated deficit, earnings should be retained to cover losses. The employees' compensation will be distributed in the form of shares or cash. The recipients of aforementioned employees' compensation include the employees of the Company's subsidiaries who meet certain specific requirements set by the Board of Directors. The aforementioned distributable profit of the current year is profit of the current year before deducting taxes, employees' compensation and directors' remuneration.

B. For the years ended December 31, 2024 and 2023, employees' compensation was accrued at \$4,041 and \$3,295, respectively; while directors' and supervisors' remuneration was accrued at \$4,041 and \$3,295, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 2 % of distributable profit of current year for the year ended December 31, 2024. The employees' compensation and directors' and supervisors' remuneration resolved by the Board of Directors were \$4,041 and \$4,041, and the employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' and supervisors' remuneration for 2023 amounting to \$3,295 and \$3,295, respectively, as resolved at the meeting of Board of Directors were in agreement with those amounts recognised in the 2023 financial statements.

Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(27) Income tax

A. Income tax expense (benefit)

(a) Components of income tax expense:

	Year ended December 31	
	2024	2023
Current tax:		
Current tax on profits for the year 2024	\$ 16,057	\$ 1,124
Tax on undistributed surplus earnings	192	376
Deferred tax:		
Origination and reversal of temporary differences	( 6,004)	( 7,236)
Income tax expense	<u>\$ 10,245</u>	<u>(\$ 5,736)</u>

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

	Year ended December 31	
	2024	2023
Currency translation differences	\$ 20,827	(\$ 7,634)
Remeasurements of defined benefit obligations	128	( 21)
	<u>\$ 20,955</u>	<u>(\$ 7,655)</u>

B. Reconciliation between income tax expense (benefit) and accounting profit:

	Year ended December 31	
	2024	2023
Tax calculated based on profit before tax and statutory tax rate	\$ 38,794	\$ 20,638
Expenses disallowed by tax regulation	670	1,979
Tax exempt income by tax regulation	( 24,779)	( 13,785)
Temporary differences not recognised as deferred tax assets	( 324)	289
Change in assessment of realisation of deferred tax assets	( 20,364)	( 15,233)
Tax on undistributed surplus earnings	192	376
Land value increment tax	16,056	-
Income tax expense (benefit)	<u>\$ 10,245</u>	<u>(\$ 5,736)</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	2024			
	January 1	Recognised in profit or loss	Recognised in other comprehensive	December 31
Deferred tax assets:				
-Temporary differences:				
Remeasurements of defined benefit plans	\$ 284	\$ -	(\$ 128)	\$ 156
Currency translation differences	73,674	-	( 20,827)	52,847
Loss carryforward	1,256	( 1,256)	-	-
Urealized after-sales service	135	( 45)	-	90
Subtotal	<u>\$ 75,349</u>	<u>(\$ 1,301)</u>	<u>(\$ 20,955)</u>	<u>\$ 53,093</u>
Deferred tax liabilities:				
Unrealized exchange gains	(\$ 372)	(\$ 452)	\$ -	(\$ 824)
Reserve for land value increment tax	( 25,517)	6,501	-	( 19,016)
Gain on long-term equity investments	( 1,256)	1,256	-	-
Subtotal	<u>(\$ 27,145)</u>	<u>\$ 7,305</u>	<u>\$ -</u>	<u>(\$ 19,840)</u>
Total	<u>\$ 48,204</u>	<u>\$ 6,004</u>	<u>(\$ 20,955)</u>	<u>\$ 33,253</u>
2023				
	January 1	Recognised in profit or loss	Recognised in other comprehensive	December 31
Deferred tax assets:				
-Temporary differences:				
Remeasurements of defined benefit plans	\$ 263	\$ -	\$ 21	\$ 284
Currency translation differences	66,040	-	7,634	73,674
Loss carryforward	14,858	( 13,602)	-	1,256
Urealized after-sales service	27	108	-	135
Subtotal	<u>\$ 81,188</u>	<u>(\$ 13,494)</u>	<u>\$ 7,655</u>	<u>\$ 75,349</u>
Deferred tax liabilities:				
Unrealized exchange gains	(\$ 819)	\$ 447	\$ -	(\$ 372)
Reserve for land value increment tax	( 25,517)	-	-	( 25,517)
Gain on long-term equity investments	( 21,539)	20,283	-	( 1,256)
Subtotal	<u>(\$ 47,875)</u>	<u>\$ 20,730</u>	<u>\$ -</u>	<u>(\$ 27,145)</u>
Total	<u>\$ 33,313</u>	<u>\$ 7,236</u>	<u>\$ 7,655</u>	<u>\$ 48,204</u>

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

December 31, 2024					
<u>Year incurred</u>	<u>Amount filed/assessed</u>	<u>Unused amount</u>	<u>Unrecognised deferred tax assets</u>		<u>Expiry date</u>
2015	\$ 14,352	\$ 1,505	\$	1,505	2025
2017	121,674	120,090		120,090	2027
2018	41,029	38,029		38,029	2028
2019	86,343	82,518		82,518	2029
2021	26,175	20,246		20,246	2031
	<u>\$ 289,573</u>	<u>\$ 262,388</u>	<u>\$</u>	<u>262,388</u>	

December 31, 2023					
<u>Year incurred</u>	<u>Amount filed/assessed</u>	<u>Unused amount</u>	<u>Unrecognised deferred tax assets</u>		<u>Expiry date</u>
2014	\$ 464,643	\$ 95,630	\$	95,630	2024
2015	14,352	11,952		11,952	2025
2017	121,674	120,090		120,090	2027
2018	41,029	38,029		32,092	2028
2019	86,343	82,518		82,175	2029
2021	26,175	20,246		20,246	2031
	<u>\$ 754,216</u>	<u>\$ 368,465</u>	<u>\$</u>	<u>362,185</u>	

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Deductible temporary difference	<u>\$ 48,078</u>	<u>\$ 49,698</u>

F. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

(28) Earnings per share

	Year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the Company	<u>\$ 183,726</u>	<u>277,158</u>	<u>\$ 0.66</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the Company	\$ 183,726	277,158	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>253</u>	
Profit attributable to ordinary shareholders of the Company plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 183,726</u>	<u>277,411</u>	<u>\$ 0.66</u>
	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the Company	<u>\$ 108,993</u>	<u>277,158</u>	<u>\$ 0.39</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the Company	\$ 108,993	277,158	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>237</u>	
Profit attributable to ordinary shareholders of the Company plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 108,993</u>	<u>277,395</u>	<u>\$ 0.39</u>

(29) Supplemental cash flow information

Investing activities with partial cash payments:

	Year ended December 31	
	2024	2023
Purchase of property, plant and equipment	\$ 159,599	\$ 2,370
Less: Joint construction with house divided and property exchange	( 158,506)	-
Cash paid during the year 2024	<u>\$ 1,093</u>	<u>\$ 2,370</u>

	Year ended December 31	
	2024	2023
Purchase of investment property	\$ 416,710	\$ -
Less: Joint construction with house divided and property exchange	( 389,921)	-
Cash paid during the year 2024	<u>\$ 26,789</u>	<u>\$ -</u>

	Year ended December 31	
	2024	2023
Disposal of investment property - land price	\$ 548,427	\$ -
Less: Joint construction with house divided and property exchange	( 548,427)	-
Cash received during the year 2024	<u>\$ -</u>	<u>\$ -</u>

(30) Changes in liabilities from financing activities

	2024				
	Short-term borrowings	Long-term borrowings (including current portior)	Guarantee deposits received	Lease liabilities	Liabilities from financing activities -gross
At January 1	\$ 190,000	\$ 260,000	\$ 896	\$ 31,378	\$ 482,274
Changes in cash flow from financing activities	150,000	( 60,000)	( 46)	( 11,213)	78,741
Changes in lease liabilities	-	-	-	( 10,555)	( 10,555)
At December 31	<u>\$ 340,000</u>	<u>\$ 200,000</u>	<u>\$ 850</u>	<u>\$ 9,610</u>	<u>\$ 550,460</u>

	2023				
	Short-term borrowings	Long-term borrowings	Guarantee deposits received	Lease liabilities	Liabilities from financing activities -gross
At January 1	\$ 190,000	\$ 160,000	\$ 930	\$ 40,316	\$ 391,246
Changes in cash flow from financing activities	-	100,000	( 34)	( 11,268)	88,698
Changes in lease liabilities	-	-	-	2,330	2,330
At December 31	<u>\$ 190,000</u>	<u>\$ 260,000</u>	<u>\$ 896</u>	<u>\$ 31,378</u>	<u>\$ 482,274</u>

## 7. Related Party Transactions

### (1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
ALMOND GARDEN CORP.(AGC)	Subsidiaries
REALISE TECH-SERVICE CO., LTD.(RLS)	Subsidiaries
FAR YEAR CONSTRUCTION CO., LTD (AFY)	Subsidiaries
ACTION INDUSTRIES(M) SDN. BHD.(AMP)	Subsidiaries
ACTION ASIA (SHENZHEN) CO., LTD. (AAS)	Subsidiaries
YOU YUAN LAI INVESTMENT LTD. (YOU YUAN LAI)	Other related party
BEST DENKI LTD. (BEST)	Other related party (Note 1)

Note 1 : On December 7, 2017, the Board of Directors of BEST DENKI LTD. passed a dissolution resolution. On December 25, 2017, the shareholders at their extraordinary general meeting approved to set the date of dissolution on December 31, 2017. As of the report date, the liquidation was still in progress.

### (2) Significant related party transactions

#### A. Operating revenue

	Year ended December 31	
	2024	2023
Subsidiaries	\$ 12,674	\$ 46,983

There is no material difference between the transaction price and payment terms for the sale of goods and those of non-related parties.

#### B. Purchases

	Year ended December 31	
	2024	2023
Subsidiaries	\$ 2,788	\$ 6,730

Goods are purchased from affiliates under normal commercial terms and conditions.

C. Income from managerial services (shown as other income)

	Year ended December 31	
	2024	2023
Subsidiaries		
-AFY	\$ 3,780	\$ 4,302
-Others	1,145	1,311
	<u>\$ 4,925</u>	<u>\$ 5,613</u>

The main department provides administrative resources and management services for related parties. The transaction price and payment conditions are negotiated by both parties.

D. Receivables from related parties

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts receivable:		
Subsidiaries	\$ 176	\$ 19,842
Other related parties	4,691	4,691
	4,867	24,533
Less: Loss allowance	(4,691)	(4,691)
	<u>\$ 176</u>	<u>\$ 19,842</u>
Other receivables:		
Other related parties		
-BEST	\$ 93,325	\$ 93,325
Subsidiaries		
-AFY	1,913	1,678
-Others	1,606	686
	96,844	95,689
Less: Loss allowance	(79,369)	(79,369)
	<u>\$ 17,475</u>	<u>\$ 16,320</u>

The receivables from related parties are mainly due to advances and management service income.

E. Payables to related parties

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Other payables:		
Subsidiaries	\$ 1,490	\$ 4,092

The amounts due to related parties are mainly due to after-sales service fees and advances.

F. Property transactions

Acquisition of financial assets (December 31, 2023: None)

			<u>Year ended December 31, 2024</u>
	<u>Accounts</u>	<u>No. of shares</u>	<u>Objects</u>
			<u>Consideration</u>
AFY	Investments accounted for using equity method	20,000	Equity
			<u>\$ 200,000</u>

G. Lease transactions – lessee

(a) The Company leases buildings from the Company's related parties. The lease term was 2~5 years, and rent was paid monthly. For the year ended December 31, 2023, the Company recognised right-of-use asset with related parties in the amounts of \$777.

(b) Rental expenses

	Year ended December 31	
	2024	2023
Subsidiaries	\$ 314	\$ 314

(c) Lease liabilities

i. Ending balance :

	Year ended December 31	
	2024	2023
Subsidiaries	\$ -	\$ 906

ii. Interest expense :

	Year ended December 31	
	2024	2023
Subsidiaries	\$ 15	\$ 19

H. Loans to /from related parties:

(a) Loans to related parties:

i. Ending Balance (shown as other receivables) :

	Year ended December 31	
	2024	2023
Subsidiaries		
-AFY	\$ 200,374	\$ 100,178

ii. Interest revenue

	Year ended December 31	
	2024	2023
Subsidiaries		
-AFY	\$ 4,089	\$ 1,651

Borrowings to subsidiaries are subject to repayment upon maturity, and interest in 2024 and 2023 will be charged at an annual interest rate of 2.2%, and 2.1%.

(b) Loans from related parties:

i. Ending Balance (shown as other payables) :

	Year ended December 31	
	2024	2023
Subsidiaries		
-AMP	\$ -	\$ 995

ii. Interest expense

	Year ended December 31	
	2024	2023
Subsidiaries		
-AMP	\$ -	\$ 882

Borrowings from subsidiaries are subject to repayment upon maturity, and interest in 2023 will be charged at an annual interest rate of 2.5%~4.0%.

I. Endorsements and guarantees provided to related parties:

(a) Ending Balance :

	December 31, 2024	December 31, 2023
- Subsidiaries		
-AFY	\$ 1,200,000	\$ 2,200,000

(b) Endorse and guarantees revenue (shown as other income) :

	December 31, 2024	December 31, 2023
Subsidiaries		
-AFY	\$ 6,340	\$ 6,053

The Company who was the guarantor for subsidiaries provides endorsement.

J. Other:

(a) The Company issued guarantee notes of \$50,000 thousand to YOU YUAN LAI as the performance guarantee for a development project of 'Yisheng Zhihui Science and Technology Park'. Refer to Note 6(10) for details.

(b) On June 20, 2020, the Company and its subsidiaries, AFY and YOU YUAN LAI, entered into the joint construction agreement. The Company had obtained the use permit and had transferred the property rights of buildings and lands on October 16, 2024. The related information is provided in Note 6(10) D.

(3) Key management compensation

	Year ended December 31	
	2024	2023
Short-term employee benefits	\$ 16,670	\$ 16,315

8. Pledged Assets

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

Pledged assets	Book value		Purpose
	December 31, 2024	December 31, 2023	
Investment property - land and buildings	\$ 76,546	\$ 87,476	Bank borrowings
Inventories - construction in progress	55,684	101,145	Bank borrowings
	\$ 132,230	\$ 188,621	

## 9. Significant Contingent Liabilities and Unrecognised Contract Commitments

- (1) As of December 31, 2024 and 2023, the guarantee notes issued by the Company for unsecured loan facilities amounted to \$756,000 and \$1,642,300, respectively.
- (2) As of December 31, 2024 and 2023, the outstanding usance letters of credit issued by the Company for purchasing goods and raw materials amounted to \$14,693 and \$35,087, respectively.
- (3) The Company used its land on No. 239 and 240-1, Zhonggong Sec., Zhongli Dist. and land on No. 241, Zhonggong Sec., Zhongli Dist. held by Youyuanlai Investment Co., Ltd. to jointly build and develop ‘Yisheng Zhihui Science and Technology Park’ and commissioned the subsidiary, FAR YEAR CONSTRUCTION CO., LTD., then distribute with negotiation when finished. For ‘Yisheng zhihui Science and Technology Park-B zone’, the Company had obtained the use permit and had transferred the property rights of buildings and lands on October 16, 2024. The related information is provided in Note 6(10) D.

## 10. Significant Disaster Loss

None.

## 11. Significant Events after the Balance Sheet Date

Details of the appropriation of 2024 earnings as proposed by the Board of Directors on March 14, 2025 are provided in Note 6(19).

## 12. Others

### (1) Capital management

The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as total liabilities divided by total assets.

### (2) Financial instruments

#### A. Financial instruments by category

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ 90,356	\$ 76,042
Qualifying debt instrument	9,223	-
	<u>\$ 99,579</u>	<u>\$ 76,042</u>
Financial assets at amortised cost	<u>\$ 402,525</u>	<u>\$ 340,571</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost	<u>\$ 595,126</u>	<u>\$ 566,372</u>
Lease liability (Including current and non-current)	<u>\$ 9,610</u>	<u>\$ 31,378</u>

Note: Financial assets at amortised cost include cash and cash equivalents, accounts receivable, other receivables and guarantee deposits paid; financial liabilities at amortised cost include short-term borrowings, accounts payable, other payables, long-term borrowings and guarantee deposits received.

#### B. Financial risk management policies

- (a) The Company'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. The Company's financial policy tends toward conservatism principle, therefore the Company does not operate the high-risk and complex derivative financial instruments.
- (b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close cooperation with the Company's operating units. 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

##### Foreign exchange risk

- i. The Company operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require the Company to manage their foreign exchange risk against their functional currency. The Company is required to hedge their entire foreign exchange risk exposure with the Company treasury. Exchange rate risk is measured through a forecast of highly probable USD and RMB expenditures. Forward foreign exchange contracts are adopted to minimise the volatility of the exchange rate affecting cost of forecast inventory purchases.
- iii. The Company's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: MYR and RMB). 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, 2023		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 237	\$ -
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 276	\$ -

Price risk

- i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- ii. The Company's investments in equity securities comprise shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% or liquidity discount rate had changes 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 \$904 and \$760, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value Interest rate risk

- i. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 2024 and 2023, the Company's borrowings at variable rate were mainly denominated in New Taiwan dollars.
- ii. If the borrowing interest rate 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 \$4,320 and \$3,600, respectively.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company 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, at fair value through profit or loss and at fair value through other comprehensive income.

- ii. The Company manages their credit risk taking into consideration the entire company's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Company's credit policy, each local entity in the Company 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. The Company adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.
- iv. The Company adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
- (i) If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- (ii) For investments in bonds that are traded over the counter, if any external credit rating agency rates these bonds as investment grade, the credit risk of these financial assets is low.
- v. The Company classifies customer's accounts receivable in accordance with credit rating of customer. The Company used the forecastability of data obtained from the Business Indicators Data Base of the National Development Council and the Basel Committee on Banking Supervision to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2024 and 2023, the loss rate is as follows:

	Individual	Not past due	Up to 30 days past due	31-90 days past due	91-180 days past due	Total
<u>December 31, 2024</u>						
Rate of expected credit loss	100.00%	0.03%	0.03%	0.03%	0.03%	
Carrying amounts	\$ 4,691	\$ 45,939	\$ 433	\$ -	\$ -	\$ 51,063
Loss allowance	\$ 4,691	\$ -	\$ -	\$ -	\$ -	\$ 4,691
<u>December 31, 2023</u>						
Rate of expected credit loss	100.00%	0.03%	0.03%	0.03%	0.03%	
Carrying amounts	\$ 4,691	\$ 96,579	\$ 26	\$ -	\$ -	\$ 101,296
Loss allowance	\$ 4,691	\$ -	\$ -	\$ -	\$ -	\$ 4,691

vi. Movements in relation to the Company applying the modified approach to provide loss allowance for receivables are as follows:

	2024	
	Receivables	Other receivables from related parties
At January 1 (at December 31)	\$ 4,691	\$ 79,369
	2023	
	Receivables	Other receivables from related parties
At January 1	\$ 4,703	\$ 74,469
Provision (Reversal) for impairment	( 12)	4,900
At December 31	\$ 4,691	\$ 79,369

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Company treasury. Company treasury invests surplus cash in interest bearing current accounts, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.
- iii. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

December 31, 2024	Within 1 year	Over 1 year
Long-term borrowings	\$ -	\$ 203,813
Lease liabilities	4,788	5,063

Non-derivative financial liabilities:

December 31, 2023	Within 1 year	Over 1 year
Long-term borrowings	\$ 65,114	\$ 208,041
Lease liabilities	11,609	20,448

(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.

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 Company's investment in off- the-run government bonds and corporate bonds is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's investment in equity investment without active market is included in Level 3.

B. Financial instruments not measured at fair value

The carrying amounts of the Company's financial instruments not measured at fair value including cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties), short-term borrowings, notes payable, accounts payable and other payables (including related parties), long-term liabilities, current portion and long-term borrowings are approximate to their fair values.

C. 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 are as follows:

(a) The company is classified based on the nature, characteristics and risks of the assets and the basic level of fair value. The relevant information is as follows:

December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Debt instruments:				
Government bonds	\$ -	\$ 4,954	\$ -	\$ 4,954
Corporate bonds	-	4,269	-	4,269
Equity instruments				
Emerging stocks	62,356	-	-	62,356
Unlisted stocks	-	-	28,000	28,000
	<u>\$ 62,356</u>	<u>\$ 9,223</u>	<u>\$ 28,000</u>	<u>\$ 99,579</u>
December 31, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income	<u>\$ 76,042</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,042</u>

- (b) The methods and assumptions the Company used to measure fair value are as follows:
- i. The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Emerging stocks
Market quoted price	Closing price

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date. (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters)
  - iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market and options, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
  - iv. The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.
- D. For the years ended December 31, 2024 and 2023, there was no transfer between Level 1 and Level 2.
- E. The following chart is the movement of Level 3 for the years ended December 31, 2024: (December 31, 2023: None)

	Year ended December 31, 2024
	Non-derivative equity instrument
At January 1	\$ -
Acquired during the year	28,000
At December 31	\$ 28,000

- F. For the years ended December 31, 2024 and 2023, there was no transfer into or out from Level 3.
- G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement: (December 31, 2023: None)

	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 28,000	At the latest transaction price	Not applicable	Not applicable	Not applicable

### 13. Supplementary Disclosures

#### (1) Significant transactions information

Information on significant transactions as of and for the year ended December 31, 2024 in conformity with the Rules Governing the Preparation of Financial Statements by Securities Issuers is as follows. In addition, inter-company transactions between companies were eliminated. The following disclosures are for reference only:

A. Loans to others: Please refer to table 1.

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

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

D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.

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

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

G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.

H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 5.

#### (2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 6.

#### (3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 5.

#### (4) Major shareholders information

Major shareholders information: Please refer to table 8.

### 14. Segment Information

Not applicable.

Action Electronics Co., Ltd.  
Loans to others  
Year ended December 31, 2024

Table 1

Expressed in thousands of NTD  
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended 31-Dec-24	Balance at 31-Dec-24	Actual amount drawn down	Interest rate	Nature of loan (Note 2)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 3)	Ceiling on total loans granted (Note 3)	Footnote
													Item	Value			
0	ACTION ELECTRONIC S CO., LTD.	FAR YEAR CONSTRUCTION CO. LTD	Other receivables - related parties	Yes	\$ 400,000	\$ 200,000	\$ 200,000	2.2%	2	\$ -	Working capital	\$ -	-	-	\$ 1,215,379	\$ 1,215,379	

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: The numbers filled in for the nature of loan are as follows:

- (1) Business transaction is '1'.
- (2) Short-term financing is '2'.

Note 3: In accordance with the regulations governing loans to others, ceiling on total loans granted is 40% of the net asset value of the creditor in the most recent financial statements; limit on loans granted to a single party is 40% of the net asset value of the creditor in the most recent financial statements. However, loans granted to foreign companies whose voting rights are 100% directly or indirectly owned by the Company are not subject to the aforementioned restrictions, but ceiling on total loans granted and limit on loans granted to a single party is no higher than 200% of the net asset value of the creditor.

Action Electronics Co., Ltd.  
Provision of endorsements and guarantees to others  
Year ended December 31, 2024

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number	Endorser/ guarantor	Party being endorsed/guaranteed Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Notes 3 and 8)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2024 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2024 (Note 5)	Actual amount drawn down (Note 6)	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 (Notes 3 and 8)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
0	ACTION ELECTRONICS CO., LTD.	FAR YEAR CONSTRUCTION CO., LTD.	2	\$ 3,038,448	\$ 2,200,000	\$ 1,200,000	\$ 122,868	\$ 1,200,000	39.49	\$ 4,557,672	Y	N	N	
1	ACTION ASIA LTD.	ACTION INDUSTRIES (M) SDN. BHD.	2	1,997,320	87,546	87,546	-	-	2.88	2,995,980	Y	N	N	
2	ACTION ASIA (SHENZHEN) CO., LTD.	DEDE TECHNOLOGY (SHENZHEN) CO., LTD.	6	847,485	323,064	-	-	-	0.00	1,271,228	N	N	Y	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary
- (3) The Endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/ guaranteed company.
- (4) The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.
- (5) Mutual guarantee of the trade made by the endorsed/guaranteed company as required under the construction contract.
- (6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company's "Procedures for Provision of Endorsements and Guarantees", and state each individual party to which the endorsements/guarantees have been provided and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Once endorsement/guarantee contracts or promissory notes are signed/issued by the endorser/guarantor company to the banks, the endorser/guarantor company bears endorsement/guarantee liabilities, and all other events involving endorsements and guarantees should be included in the balance of outstanding endorsements and guarantees.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Note 8: In accordance with the Company's "Procedures for Provision of Endorsements and Guarantees", ceiling on total amount of endorsements/guarantees provided by the Company and limit on endorsements/guarantees provided to a single party, as well as limit on endorsements/guarantees granted by the Company and its subsidiaries as a whole are as follows:

- (1) Ceiling on the accumulated total endorsements/guarantees granted is 1.5 times of the net asset value in latest audited or reviewed financial statements.
- (2) Limit on endorsements/guarantees granted by the Company and its subsidiaries to a single party is the net asset value in latest audited or reviewed financial statements of the Company or its subsidiaries.
- (3) Limit on total endorsements/guarantees granted by the Company and subsidiaries as a whole is 1.5 times of the net asset value in latest audited or reviewed financial statements of the Company and its subsidiaries.

Action Electronics Co., Ltd.

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

(Except as otherwise indicated)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2024				Footnote (Note 4)
				Number of shares (in thousands)	Book value (Note 3)	Ownership (%)	Fair value	
ACTION ELECTRONICS CO., LTD.	Ordinary stocks of Clientron Corp.	-	Financial assets at fair value through other comprehensive income - current	4,941	\$ 62,356	7.76%	\$ 62,356	
ACTION ELECTRONICS CO., LTD.	GreenRock Energy Co., Ltd. common shares	-	Financial assets at fair value through other comprehensive income - non-current	570	28,000	1.32%	28,000	
ACTION ELECTRONICS CO., LTD.	Ordinary stocks of TOA Optronics Corporation.	-	Financial assets at fair value through profit or loss - non-current	1,283	-	6.55%	-	
ACTION ELECTRONICS CO., LTD.	Pfizer USD Bonds	-	Financial assets at fair value through other comprehensive income - current	-	4,269	-	4,269	
ACTION ELECTRONICS CO., LTD.	U.S. Treasury Bonds	-	Financial assets at fair value through other comprehensive income - current	-	4,954	-	4,954	
ALMOND GARDEN CORP.	Ordinary stocks of BLOOMING ENTERPRISE CO., LTD.	-	Financial assets at fair value through profit or loss - non-current	455	-	14.55%	-	
REALISE TECH-SERVICE CO., LTD.	FSITC US Top 100 Bond Fund	-	Financial assets at fair value through profit or loss - current	284	2,808	-	2,808	
ACTION ASIA (SHENZHEN) CO., LTD.	PineBridge ESG Quantitative Global Equity Fund	-	Financial assets at fair value through profit or loss - current	NOTE5	47,547	-	47,547	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

Note 5: As of December 31, 2024, the Company held 9,746,161.89 thousand shares.

Action Electronics Co., Ltd.

Transactions with related parties involving main business items reaching NTS100 million or 20% of paid-in capital or more

Year ended December 31, 2024

Table 4

Expressed in thousands of NTD  
(Except as otherwise indicated)

Company name	Counterparty	Relationship	Transaction			Different situations and reasons of Trading Conditions and General Trading ( Note 1 )		General ledger account		Footnote
			Purchase or sale	Amount	Percentage of total purchase or total	Price	Credit period	Balance	Percentage of total notes	
ACTION ASIA (SHENZHEN) CO., LTD.	ACTION INDUSTRIES(M) SDN.BHD.	Subsidiary to subsidiary	Sold	\$ 188,953	6%	T/T 60 days after receipt of goods	Sales price was negotiated by each other	T/T 60 days after receipt of goods	\$ 9,837	5%

Note 1: Transactions with related parties were disclosed with asset and revenue;therefore, relative transactions are not disclosed in the table.

Action Electronics Co., Ltd.

Significant inter-company transactions during the reporting periods

Year ended December 31, 2024

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction (Note 5)			
				General ledger account	Amount	Transaction terms	operating revenues or total assets (Note 3)
1	ACTION ASIA (SHENZHEN) CO., LTD.	ACTION INDUSTRIES(M) SDN. BHD.	3	Sales revenue	\$ 188,953	T/T 60 days after receipt of goods	8%

Note 1: 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 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: 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 4: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

Note 5: Individual transaction amounts less than 1% of consolidated total operating revenue or consolidated total assets are not disclosed. Transactions from asset and revenue sides are disclosed, an the opposite sides are not disclosed.

Action Electronics Co., Ltd.  
Information on investees  
Year ended December 31, 2024

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2024			Net profit (loss)	Investment income (loss)	Footnote
				Balance as at December 31, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value	of the investee for the year ended	recognised by the Company	
									December 31, 2024	for the year ended December 31, 2024	
ACTION ELECTRONICS CO., LTD.	ACTION ASIA LTD.	Singapore	A holding and investment company	\$ 152,046	\$ 241,231	120,435,546	61.54%	\$ 1,229,083	\$ 135,154	\$ 83,169	
ACTION ELECTRONICS CO., LTD.	ALMOND GARDEN CORP.	British Virgin Islands	A holding and investment company	-	-	12,705,000	100.00%	826,693	50,571	50,571	
ACTION ELECTRONICS CO., LTD.	BEST DENKI LTD.	Taiwan	Sale and maintenance of various electronic appliances and home appliances	109,696	109,696	10,970,926	99.74%	-	-	-	In liquidation
ACTION ELECTRONICS CO., LTD.	REALISE TECH-SERVICE CO., LTD.	Taiwan	Repair services of electronic information products	60,000	60,000	6,000,000	100.00%	47,186	4,113	5,637	
ACTION ELECTRONICS CO., LTD.	FAR YEAR CONSTRUCTION CO., LTD.	Taiwan	Housing, building and industrial factory development and rental and real estate leasing and trading	400,000	200,000	40,000,000	100.00%	( 53,799)	113,579	( 411,290)	Note 3
ALMOND GARDEN CORP.	ASD ELECTRONICS LIMITED	Hong Kong	Research and development and sale	46,200	46,200	4,175,000	100.00%	12,650	512	644	
ALMOND GARDEN CORP.	ACTION ASIA LTD.	Singapore	A holding and investment company	427,100	482,845	75,278,052	38.46%	768,237	135,154	51,985	
ACTION ASIA LTD.	ACTION INDUSTRIES (M) SDN. BHD.	Malaysia	Manufacture and sale of car LCD TVs	54,911	54,911	13,200,000	100.00%	165,339	33,998	33,998	

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

- (1)The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at December 31, 2024' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column..
- (2)The 'Net profit (loss) of the investee for the year ended December 31, 2024' column should fill in amount of net profit (loss) of the investee for this period.
- (3)The 'Investment income (loss) recognised by the Company for the year ended December 31, 2021' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Note 3: The Company exchanged the lands and buildings with its subsidiary, FAR YEAR CONSTRUCTION CO., LTD., due to the agreement of joint construction with house divided. The Company recognised share of profit or loss of subsidiaries accounted for using the equity method and gains on disposals of investment property. The related information is provided in Note 6(10) D of the parent company only financial statements.

Action Electronics Co., Ltd.  
Information on investments in Mainland China  
Year ended December 31, 2024

Table 7

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated	Amount remitted from Taiwan		Accumulated	Net income of investee as of December 31, 2024	Ownership held by the Company (direct or indirect)	Investment income	Book value of investments in Mainland China as of December 31, 2024	Accumulated	Footnote
				amount of remittance from Taiwan to Mainland China as of January 1, 2024	to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2024		amount of remittance from Taiwan to Mainland China as of December 31, 2024			(loss) recognised by the Company for the year ended December 31, 2024 (Note 1)		amount of investment income remitted back to Taiwan as of December 31, 2024	
ACTION COMMERCIAL AND TRADING (SHANGHAI) CO., LTD.	LCD TV products	\$ 529,218	Invested in Mainland China through a wholly-owned Almond Garden Corp.	\$ 529,218	\$ -	\$ -	\$ 529,218	(\$ 76)	100.00	(\$ 76)	\$ 32,756	\$ -	-
DONGGUAN JINGWAN PHOTOELECTRICITY CO., LTD.	Manufacture and sale of electronic products and its accessories	100,377	Reinvested in Mainland China through a 14.55%-owned BLOMMING ENTERPRISE CO., LTD of a wholly-owned ALMOND GARDEN CORP.	24,375	-	-	24,375	-	14.55	-	-	-	-
SHANGHAI ACTION TECHNOLOGY CO., LTD.	Research and development, manufacture and sale of electronic products and accessories and warehousing services	468,017	Invested in Mainland China through a wholly-owned ACTION ASIA LTD.	339,960	-	( 125,987)	213,973	56,757	100.00	56,757	914,779	131,918	-
ACTION ASIA (SHENZHEN) CO., LTD.	Research and development, manufacture and sale of electronic products and accessories	90,225	Invested in Mainland China through a wholly-owned ACTION ASIA LTD.	-	-	-	-	60,159	100.00	63,269	843,108	161,776	-
DEDE TECHNOLOGY (SHENZHEN) CO., LTD.	Plant leasing services	512,344	Reinvested in Mainland China through a wholly-owned ACTION ASIA (SHENZHEN) CO., LTD. of a wholly-owned ACTION ASIA LTD.	-	-	-	-	84,469	40.00	21,772	578,362	-	-
ACTION INTELLIGENT (SHENZHEN) CO., LTD.	Research and development and sale of AI electronic products	4,681	Reinvested in Mainland China through a wholly-owned ACTION ASIA (SHENZHEN) CO., LTD. held of a wholly- owned ACTION ASIA LTD.	-	-	-	-	1,333	100.00	1,333	3,187	-	-

Action Electronics Co., Ltd.  
Information on investments in Mainland China  
Year ended December 31, 2024

Table 7

Expressed in thousands of NTD  
(Except as otherwise indicated)

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
ACTION ELECTRONICS CO., LTD.	\$ 1,533,376	\$ 1,718,789	NOTE3

Note 1: Investment income (loss) recognised by the Company for the year ended December 31, 2024 is based on financial statements audited and attested by R.O.C. parent company's CPA.

Note 2: The numbers in this table are expressed in New Taiwan dollars. Income statement accounts denominated in foreign currencies are translated into New Taiwan dollars at the weighted average exchange rates and balance sheet accounts at spot exchange rates prevailing at the balance sheet date.

Note 3: The Company obtained the approval of operational headquarters issued by the Industrial Development Bureau, MOEA, which effective as of March 31, 2027.

Note 4: The equity of Huayi Technology (Shenzhen) Co., Ltd. has been transferred in 2017, and the accumulated amount of investment from Taiwan was NTD 670,087 thousand.

Note 5: The equity of ACTION TECHNOLOGY (JIAN) CO., LTD. has been transferred in 2021, and the accumulated amount of investment from Taiwan was NTD 356,915 thousand. The repatriated investment shares amounted to NTD 261,192,000 (USD 8,800,000).

Action Electronics Co., Ltd.  
Major shareholders information  
December 31, 2024

Table 8

Name of major shareholders	Shares	
	Number of shares held (in thousands)	Ownership (%)
PENG CHUIN-PING	20,683	7.46%
TA PO INVESTMENT LTD.	15,320	5.52%

Note 1: 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 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.

Note 2: If the aforementioned data contains shares which were held in trust by the shareholders, the data disclosed is the settlor's separate account for the fund set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shares include the self-owned shares and shares held in trust, and at the same time, the shareholder has the power to decide how to allocate the trust assets. The information on the reported share equity of insider is provided in the "Market Observation Post System".

ACTION ELECTRONICS CO., LTD.  
STATEMENT OF CASH AND CASH EQUIVALENTS  
DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 1

Item	Description	Exchange Rate	Amount
Cash on hand and revolving funds			
- NTD			\$ 221
			<u>221</u>
Checking accounts and Demand deposits			
- NTD			77,152
- Foreign currency deposits	- USD	759,777	32.79
	- EUR	16,644	34.14
			<u>568</u>
			<u>102,630</u>
Time deposits			
- Foreign currency deposits	- USD	1,000,000	32.79
			<u>32,785</u>
			<u>135,415</u>
			<u>\$ 135,636</u>

Note: The abovementioned time deposits mature within 3 months and the interest rate is 4.72%.

ACTION ELECTRONICS CO., LTD.  
STATEMENT OF FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - CURRENT  
DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 2

Name of Financial Instrument	Description	Shares in thousands	Face value	Total amount	Interest Rate	Cost	Accumulated impairment	Valuation adjustment	Fair value		Note
									Unit price	Total amount	
Emerging Stocks:											
Ordinary stocks of Clientron	Ordinary share	4,941	\$ 10	\$ 49,410	Not applicable	\$ 63,943	Not applicable	(\$ 1,587)	\$ 12.62	\$ 62,356	-
Bond:											
U.S. Treasury Bonds	Due date: 2036/02/15	Not applicable	Not applicable	-		5,054	Not applicable	( 99)	Not applicable	4,954	-
Pfizer USD Bonds	Due date: 2044/05/15	Not applicable	Not applicable	-		4,539	Not applicable	( 271)	Not applicable	4,269	-
				<u>\$ 49,410</u>		<u>\$ 73,536</u>		<u>(\$ 1,957)</u>		<u>\$ 71,579</u>	

ACTION ELECTRONICS CO., LTD.  
STATEMENT OF ACCOUNTS RECEIVABLE  
DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 3

<u>Client Name</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Notes and accounts receivable			
Client A		\$ 27,279	
Client B		6,395	
		51,063	
Others		<u>17,389</u>	None of the balances of each remaining item is greater than 5% of this account
Allowance for losses		( <u>4,691</u> )	
		<u>\$ 46,372</u>	
Accounts receivable-subidiaries			
BEST DENKI LTD.		\$ 4,691	
Others		<u>176</u>	None of the balances of each remaining item is greater than 5% of this account
		4,867	
Allowance for losses		( <u>4,691</u> )	
		<u>\$ 176</u>	

ACTION ELECTRONICS CO., LTD.  
STATEMENT OF INVENTORIES  
DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 4

Item	Amount		Note
	Cost	Net Realizable Value	
Merchandise	\$ 81,480	\$ 75,121	Measured at net realizable
Inventory in transit	6,339	6,339	Measured at net realizable
Construction in progress	67,612	67,612	Note
	<u>155,431</u>	<u>\$ 149,072</u>	
Less : Allowance for valuation loss	( 6,359)		
	<u>\$ 149,072</u>		

Note: Due to the industry characteristics of construction companies, since it is not easy to determine the market price of the construction in progress, the net realisable value listed in the table is not lower than the cost.

ACTION ELECTRONICS CO., LTD.  
STATEMENT OF FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 5

Name	Beginning Balance		Addition		Ending Balance		Accumulated Impairment	Collateral	Note
	Shares	Fair Value	Shares	Amount	Shares	Fair Value			
Unlisted shares									
GreenRock Energy Co., Ltd.	-	\$ -	570	\$ 28,000	570	\$ 28,000	Not applicable	None	-

ACTION ELECTRONICS CO., LTD.  
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD  
FOR THE YEAR ENDED DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 6

Name	Beginning Balance		Increase		Investment income (loss)	differences on translation of foreign financial statements	Decrease			Ending Balance		
	Shares	Amount	Shares	Amount (Note 1)			Shares	Amount (Note 1)	Other (Note 2)	Shares	Percentage of Ownership	Amount
<u>Investments accounted for using equity method</u>												
ACTION ASIA LTD.(AAL)	149,511,976	\$ 1,259,720	-	\$ -	\$ 83,169	\$ 50,413	( 29,076,430)	(\$ 164,220)	\$ -	120,435,546	61.54%	\$ 1,229,082
ALMOND GARDEN CORP.(AGC)	14,500,000	841,258	-	-	50,571	53,723	( 1,795,000)	( 118,859)	-	12,705,000	100%	826,693
FAR YEAR CONSTRUCTION CO., REALISE TECHSERVICE CO., LTD.	20,000,000	157,491	20,000,000	200,000	( 411,290)	-	-	-	53,799	40,000,000	100%	-
	6,000,000	40,571	-	-	5,637	-	-	-	978	6,000,000	100%	47,186
		2,299,040		200,000	( 271,913)	104,136		( 283,079)	54,777			2,102,961
Credit balance of investments accounted for using equity		-		-	-	-		-	( 53,799)			( 53,799)
		<u>\$ 2,299,040</u>		<u>\$ 200,000</u>	<u>(\$ 271,913)</u>	<u>\$ 104,136</u>		<u>(\$ 283,079)</u>	<u>\$ 978</u>			<u>\$ 2,049,162</u>

Note 1: Increase for the year pertains to the capital increase.

Note 2: Decrease for the year pertains to the receipt of cash dividends and proceeds from capital reduction.

Note 3: Others pertain to reclassification of credit balance of investments accounted for using the equity method amounting to \$53,799 and remeasurements of defined benefit plans of the subsidiaries accounted for using the equity method amounting to \$978.

ACTION ELECTRONICS CO., LTD.  
STATEMENT OF SHORT-TERM BORROWINGS  
DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 7

Nature	Description	Ending Balance	Contract Period	Range of Interest		Collateral	Note
				Rate	Credit Line		
Secured borrowings	First Commercial Bank	\$ 63,800	2024/12/27~2025/03/27	2.100%	\$ 63,800	Yes	Refer to Note 8
Unsecured borrowings	First Commercial Bank	36,200	2024/12/27~2025/03/27	2.100%	36,200	None	-
Unsecured borrowings	First Commercial Bank	50,000	2024/11/12~2025/02/12	2.100%	100,000	None	-
Unsecured borrowings	Taiwan Cooperative Bank	30,000	2024/01/29~2025/01/29	2.303%	30,000	None	-
Secured borrowings	Chang Hwa Commercial Bank	50,000	2024/12/30~2025/06/30	2.095%	80,000	Yes	Refer to Note 8
Unsecured borrowings	Chang Hwa Commercial Bank	50,000	2024/12/30~2025/06/30	2.295%	50,000	None	-
Secured borrowings	Hua Nan Bank	60,000	2024/10/04~2025/04/02	2.114%	60,000	Yes	Refer to Note 8
		<u>\$ 340,000</u>					

ACTION ELECTRONICS CO., LTD.  
STATEMENT OF LONG-TERM BORROWINGS  
DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 8

<u>Creditor</u>	<u>Description</u>	<u>Amount</u>	<u>Contract Period</u>	<u>Interest Rate</u>	<u>Collateral</u>	<u>Note</u>
Chang Hwa Commercial Bank, Ltd.	Medium and long-term borrowings	\$ 100,000	2023/08/29~2026/08/29	2.335%	Collateral	Refer to Note 8
Chang Hwa Commercial Bank, Ltd.	Medium and long-term borrowings	<u>100,000</u>	2023/12/21~2026/12/21	2.335%	Collateral	Refer to Note 8
		200,000				
Minus:	Long-Term Borrowings with the due date in one year	<u>-</u>				
		<u>\$ 200,000</u>				

ACTION ELECTRONICS CO., LTD.  
STATEMENT OF OPERATING REVENUE  
FOR THE YEAR ENDED DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 9

Item	Volume	Amount	Note
Sales revenue			
Revenue from home appliances	83,357 units	\$ 485,948	
Others		<u>31</u>	
		485,979	
Other operating revenue		<u>32,838</u>	
Total		<u>\$ 518,817</u>	

ACTION ELECTRONICS CO., LTD.  
STATEMENT OF OPERATING COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 10

<u>Item</u>	<u>Amount</u>
Beginning merchandise	\$ 178,163
Add: Net purchase for the year	306,239
Less: Ending merchandise	( 86,726)
Transferred to expenses	( 9,192)
Cost of merchandise sales	<u>388,484</u>
Cost of goods sold	388,484
Loss on inventory valuation	422
Other operating costs	<u>34,665</u>
	<u>\$ 423,571</u>

ACTION ELECTRONICS CO., LTD.  
STATEMENT OF SELLING EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 11

Item	Description	Amount	Note
Wages and salaries		\$ 22,968	
Freight		16,626	
Advertisement		12,975	
Rent expense		9,063	
Depreciation		9,048	
Service expenses		5,730	
Other expenses		13,676	None of the balances of each remaining item is greater than 5% of this account balance
		<u>\$ 90,086</u>	

ACTION ELECTRONICS CO., LTD.  
STATEMENT OF ADMINISTRATIVE EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 12

Item	Description	Amount	Note
Wages and salaries		\$ 36,197	
Service expenses		10,057	
Amortization expenses		7,655	
Depreciation expenses		4,551	
Other expenses		14,883	None of the balances of each remaining item is greater than 5% of this account balance
		<u>\$ 73,343</u>	

ACTION ELECTRONICS CO., LTD.  
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY  
FUNCTION  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 13

Function Nature	Year ended December 31, 2024			Year ended December 31, 2023		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee Benefit Expense						
Wages and salaries	\$ -	\$ 54,224	\$ 54,224	\$ -	\$ 55,303	\$ 55,303
Labour and health insurance fees	-	5,181	5,181	-	5,917	5,917
Pension costs	-	2,703	2,703	-	2,958	2,958
Directors' remuneration	-	4,941	4,941	-	4,745	4,745
Other personnel expenses	-	3,276	3,276	-	2,965	2,965
Depreciation Expense	2,420	13,599	16,019	3,626	11,098	14,724
Amortisation Expense	-	9,019	9,019	-	9,345	9,345

Note:

1. As at December 31, 2024 and 2023, the Company had 73 and 78 employees, including 5 and non-employee directors, respectively.
2. A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information :
  - (1) Average employee benefit expense in current year \$962.  
Average employee benefit expense in previous year \$920.
  - (2) Average employees salaries in current year \$797.  
Average employees salaries in previous year \$758.
  - (3) Adjustments of average employees salaries 5%.

ACTION ELECTRONICS CO., LTD.  
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY  
FUNCTION (Cont.)  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 13

- (4) The Company's compensation policies:
- A. Directors: The remuneration of the directors of the company is handled in accordance with rules and regulations of the company, to authorize the board of directors to determine salary and remunerations according to their degree of participation and value of contribution in the operation of the company, based upon the domestic and overseas industry standards.
  - B. Managers: The amount of remuneration awarded to the managers of the company is reviewed by the remuneration committee and submitted to the board of directors for resolution based on their positions, contributions, and company operating performance for the year.
  - C. Staff: The company's employee salary and remuneration policy is to provide employees with average salary and benefits. Based on the company's operating performance and each employee's position, contribution, and performance to determine the year-end bonus and related remuneration, the amount and distribution method are recommended by the remuneration committee and approved by to the board of directors.