

Bright LED Electronics Corp.
Parent company only financial report
and accountant's audit report

Year of 2024 and 2023

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Notice to readers:

In case of any discrepancy between the English version and the Chinese version or any difference in the interpretation of the two versions, the Chinese version shall prevail.

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INDEPENDENT AUDITORS' REPORT **(Parent Company Only Financial Statements)**

The Board of Directors and Shareholders
Bright LED Electronics Corp.

Opinion

We have audited the accompanying parent company only financial statements of Bright LED Electronics Corp., which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the 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 of December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the parent company only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, 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 parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2024 are stated as follows:

Revenue Recognition

For details of accounting policies and related disclosures of revenue recognition, please refer to

Notes 4 (13) and 6 (15) of the Company's parent company only financial statements.

The description of key audit matter:

The sources of the major operating revenue of the Bright LED Electronics Corp. are research and development, productions, and sales of light-emitting diodes indicators and display...etc and contracts of LED display, LED lighting and related operating applications/systems' constructions. Where the Bright LED Electronics Corp.'s revenues generated from is the concerned factor for this report users or recipients. Hence, revenue recognition is considered as one of the key audit matters. The main audit procedures for the above-mentioned key audit matters include complying with the requirements of the standards, understanding of operations and industry characteristics, evaluating the appropriateness of Bright LED Electronics Corp.'s accounting policy selection; testing the design and implementation for the effectiveness of internal control systems related to revenue; understanding The form and transaction conditions of BRTLED Group's operating income, etc. The accountants evaluated whether the accounting policies for revenue recognition (including sales returns and discounts) are handled in accordance with the relevant official announcements and analyzed the income by examining major customers and new customers in order to assess whether there is any major abnormality. Also, we reviewed the new major contracts in the current period and tested the sales samples for a period before and after the end of the year according to their delivery conditions to assess the correctness of the revenue recognition period. The accounting project revenue is recognized according to the degree of completion of the performance obligations whether the ratio is reasonable. Through examining the list of the top ten customers and new customers, to find out the similarities and differences between their trading conditions compared to general customers. Selecting an appropriate sample size of sales invoices to confirm that all payments have been received and correct and pay attention to whether the remitter is consistent with the sales target in order to evaluate the authenticity of the income.

Account Receivables Valuation

For details of accounting policies of account receivables valuation, please refer to Notes 4 (6) financial instruments of the Bright LED Electronics Corp.'s parent company only financial statements; for details of accounting estimates and accounting assumption of uncertainty of account receivables valuation, please refer to Notes 5 of the Bright LED Electronics Corp.'s parent company only financial statements; for details of explanation on account receivables valuation, please refer to 6 (3) of the Bright LED Electronics Corp.'s parent company only financial statements.

The description of key audit matter:

Account receivables of Bright LED Electronics Corp. are distributed among customers. The account receivables valuation allowance is calculated according to the expected percentage of credit losses which takes each time interval of overdue of account receivables and adjustments on prospective factors into consideration when estimating expected credit losses of account receivables. The management will, according to the report date, re-update new expected losses within each time

interval of overdue and perform individual assessments on major overdue and payment disputes; hence, it involves subjective judgment from the managers and it is considered as one of the key audit matters.

The main audit procedures for the above-mentioned key audit matters include evaluating reasonableness of the percentage of expected credit losses and determining whether there is a major irregularity by comparing the turnover rate and turnover days of accounts receivables with the company's credit policy and other related information; obtaining the aging schedule, verifying total amount from the aging schedule with general ledger and confirming integrity and accuracy of the aging schedule. Finally, ascertaining whether the bills and accounts receivables in dispute or involved in litigation have been properly handled and checking whether the customers' receivables dues more than three months have been properly evaluated and checking whether there is a risk of transferring to other receivables.

Other Matter

We have also audited the parent company only financial statements of Bright LED Electronics Corp. as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Parent company only Financial Statements

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

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

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

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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the 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.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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; if such disclosures are inadequate, we are responsible 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.
5. 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.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in

internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2023 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.

The engagement partners on the audit resulting in this independent auditors' report are Mr. Hui-JI Ku and Ms. Hsin-Yi Kuo.

KPMG TAIWAN
Republic of China

March 13, 2025

Notice to Readers

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

For the convenience of readers, the independent 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. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

Bright LED Electronics Corp.
Parent Company Only Balance Sheet
December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

		Dec 31, 2024		Dec 31, 2023				Dec 31, 2024		Dec 31, 2023	
		Amount	%	Amount	%			Amount	%	Amount	%
ASSETS						LIABILITIES					
CURRENT ASSETS :						CURRENT LIABILITIES :					
1100	Cash and cash equivalents (Note 6 (1))	\$ 291,413	6	\$ 128,572	3	2130	Contract liabilities-current (Note 15)	\$ 21,561	-		
1110	Current financial assets at fair value through profit or loss (Note 6 (2))	202,574	4	201,943	4	2170	Accounts and notes payable	20,037	-	\$ 12,390	-
1140	Contract assets— current(Note 6 (15))	268,163	5	314,009	7	2180	Accounts payable— due to related parties (Note 7)	1,735,292	37	1,761,854	36
1170	Accounts and notes receivable, net (Note 6(3))	268,704	6	256,581	5	2200	Other payables and other current liabilities (Note 6(9))	57,096	1	54,013	1
1180	Accounts receivable— due from related parties, net (Note 6(3)&7)	54,216	1	103,340	2	2230	Income tax liabilities	20,304	-	32,421	1
1210	Other accounts receivable — related party (Note 7)	14,000	-	36,000	1	2280	Lease liabilities- current (Note 6(10))	1,723	-	2,150	-
1310	Inventories (Note 6(4))	24,515	1	32,696	1		Total current liabilities	1,856,013	38	1,862,828	38
1470	Other current assets	11,119	-	4,181	-		NONCURRENT LIABILITIES :				
1476	Other financial assets— current (Note 6(8)&8)	93,106	2	23,497	-	2580	Lease liabilities- noncurrent (Note 6(10))	2,590	-	4,313	-
	Total current assets	1,227,810	25	1,100,819	23	2640	Defined benefit liabilities — noncurrent (Note 6(11))	13,997	-	19,374	-
NONCURRENT ASSETS :						2645	Other noncurrent liabilities	39,972	1	44,509	1
1517	Financial assets at fair value through other comprehensive income — noncurrent (Note 6(2))	804,218	17	907,086	19		Total noncurrent liabilities	56,559	1	68,196	1
1550	Investments accounted for using equity method (Note 6(5))	2,712,104	56	2,719,553	56		Total liabilities	1,912,572	39	1,931,024	39
1600	Property, plant and equipment (Note 6(6))	58,456	1	51,235	1		EQUITY ATTRIBUTABLE TO SHAREHOLDERS (Note 6(13))				
1755	Right of use assets (Note 6(7))	4,226	-	6,393	-	3100	Capital stock	1,732,032	36	1,732,032	36
1840	Deferred tax assets (Note 6(12))	22,028	-	26,756	-	3200	Capital surplus	395,201	8	395,335	8
1920	Refundable deposits	1,383	-	5,298	-	3300	Retained earnings	789,447	16	736,914	15
1900	Other noncurrent assets	45,561	1	60,174	1	3400	Other equity interests	46,534	1	82,009	2
	Total noncurrent assets	3,647,976	75	3,776,495	77		Total equity	2,963,214	61	2,946,290	61
TOTAL		\$ 4,875,786	100	\$ 4,877,314	100	TOTAL		\$ 4,875,786	100	\$ 4,877,314	100

Chairman : Tsung-Jen Liaw

CEO : Tsung-Jen Liaw

Accounting Manager : Mei-Lien Lin

Bright LED Electronics Corp.
Parent Company Only Income Statement
From January 1 to December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenues (Note 6(15)&7)	\$ 897,100	100	\$ 875,617	100
5000	Operating costs (Note 6(4)(7))	(640,829)	(71)	(649,463)	(74)
5900	Gross profit from operations	256,271	29	226,154	26
6000	Operating expenses (Note 6(3)(6)(7)(11)&12) :				
6100	Marketing	(29,256)	(3)	(30,592)	(4)
6200	Management	(80,655)	(9)	(80,942)	(9)
6300	Research & development	(7,521)	(1)	(7,522)	(1)
6450	Expected credit impairment loss (or gain)	(404)	-	(448)	-
	Total operating expenses	(117,836)	(13)	(119,504)	(14)
6900	Operating income	138,435	16	106,650	12
7000	Non-operating income & expenses (Note 6(5)(17)) :				
7100	Interest revenues	5,291	1	4,929	1
7010	Other revenues	84,049	9	57,215	7
7020	Other gains & losses	17,863	2	52,006	6
7050	Finance costs	(106)	-	(148)	-
7070	Share of profit (loss) of associates using equity method	(16,387)	(2)	117,258	14
	Total non-operating income & expenses	90,710	10	96,966	8
7900	Profit before tax	229,145	26	223,908	26
7951	Deduct : income tax expenses (Note 6(12))	(40,433)	(5)	(42,361)	(5)
	Net income	188,712	21	181,547	21
8300	Other comprehensive income (Note 6(11)(12)(13)) :				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Re-measurement of defined benefit plans	2,980	-	493	-
8316	Unrealized gain or loss on financial instrument at fair value through other comprehensive income	(68,640)	(8)	106,069	12
8349	Income tax related to items that will not be reclassified subsequently	596	-	99	-
	Total of Items that will not be reclassified subsequently to profit or loss	(66,256)	(8)	106,463	12
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences arising on translation of foreign operations	33,139	4	(64,330)	(7)
8399	Income tax related to items that may be reclassified subsequently	-	-	-	-
	Total of Items that may be reclassified subsequently to profit or loss	33,139	4	(64,330)	(7)
8300	Other comprehensive loss for the year, net of income tax	(33,117)	(4)	42,133	5
8500	Total comprehensive income for the year	\$ 155,595	17	\$ 223,680	26
	Earnings per share (Note 6(14))				
9750	Basic earnings per share (NT\$)	\$ 1.09		1.05	
9850	Diluted earnings per share (NT\$)	\$ 1.08		1.04	

Chairman : Tsung-Jen Liaw

CEO : Tsung-Jen Liaw

Accounting Manager : Mei-Lien Lin

Bright LED Electronics Corp.
Parent Company Only Statements of Changes in Equity
From January 1 to December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars, Except Dividends per Shares)

	Equity Attributable to Shareholders of the Parent								Total Equity
	Retained earnings					Others			
	Capital Stock	Capital Surplus	Legal reserve	Unappropriated earnings	Total	Exchange Differences on translations	Unrealized gain/loss on assets at fair value through other comprehensive income	Total	
Balance, January 1, 2023	\$ 1,732,032	387,591	319,881	382,315	702,196	(156,248)	196,518	40,270	2,862,089
Net income	-	-	-	200,380	200,380	-	-	-	200,380
Other comprehensive income	-	-	-	2,189	2,189	72,828	(146,256)	(73,428)	(71,239)
Total comprehensive income	-	-	-	202,569	202,569	72,828	(146,256)	(73,428)	129,141
Legal reserve	-	-	20,257	(20,257)	-	-	-	-	-
Cash dividend	-	-	-	(147,223)	(147,223)	-	-	-	(147,223)
Changes in other capital reserves:									
Changes in ownership interests of related									
Subsidiaries	-	7,733	-	-	-	-	-	-	7,733
Overdue dividend	-	11	-	-	-	-	-	-	11
Balance, December 31, 2023	1,732,032	395,335	340,138	396,776	736,914	(220,578)	302,587	82,009	2,946,290
Net income	-	-	-	188,712	188,712	-	-	-	188,712
Other comprehensive income	-	-	-	2,384	2,384	33,139	(68,640)	(35,501)	(33,117)
Total comprehensive income	-	-	-	191,096	191,096	33,139	(68,640)	(35,501)	155,595
Legal reserve	-	-	18,194	(18,194)	-	-	-	-	-
Cash dividend	-	-	-	(138,563)	(138,563)	-	-	-	(138,563)
Changes in ownership interests of related									
subsidiaries	-	(327)	-	-	-	-	-	-	(327)
Others	-	193	-	-	-	-	-	-	193
Gain (loss) on disposal of investments accounted for using equity method	-	-	-	-	-	26	-	26	26
Balance, December 31, 2024	\$ 1,732,032	395,201	358,332	431,115	789,447	(187,413)	233,947	46,534	2,963,214

Chairman : Tsung-Jen Liaw

CEO : Tsung-Jen Liaw

Accounting Manager : Mei-Lien Lin

Bright LED Electronics Corp.
Parent company only Statements of Cash Flows
From January 1 to December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES :		
Income before tax	\$ 229,145	\$ 213,744
Adjustments :		
Depreciation expenses	4,780	4,501
Expected credit impairment losses	404	448
Interest expenses	106	148
Interest income	(5,291)	(4,929)
Dividend income	(59,388)	(26,052)
Net interests in financial assets measured at fair value through profit or loss	(2,407)	(1,943)
Share of profit/loss of associates accounted for using equity method	16,387	(3,256)
Loss (gain) on disposal of investments accounted for using the equity method	(2,525)	-
Total adjustments	(47,934)	(31,083)
Changes in operating assets and liabilities:		
Decrease (increase) in contract assets	45,846	(6,204)
Decrease in notes and accounts receivable (increase)	36,597	(22,896)
Decrease (increase) in inventories	8,181	(15,310)
Decrease in other current assets	(6,938)	721
Decrease in other financial assets-current (increase)	847	(2,053)
Increase in contract liabilities	21,561	-
Increase in notes and accounts payable (including related parties) (decrease)	(19,579)	(133,242)
Increase in other payables and other current liabilities (decrease)	3,126	(3,867)
Increase in defined benefit liabilities (decrease)	(2,397)	7
Total	39,310	(213,927)
Cash generated from operations	268,455	9,981
Interest received	4,906	4,863
Interest paid	(106)	(148)
Income tax paid	(48,418)	(46,769)
Net cash generated by operating activities	224,837	(32,073)
CASH FLOWS FROM INVESTING ACTIVITIES :		
Acquisition of financial assets measured at fair value through profit or loss	(100,000)	(200,000)
Acquisition of financial assets measured at fair value through other comprehensive profit or loss	-	(200,000)
Refund of capital reduction of financial assets measured at fair value through other comprehensive income	34,228	47,462
Disposal of financial assets at fair value through profit or loss	101,776	-
Obtain investments using the equity method	-	(14,777)
Disposal of investments accounted for using the equity method	3,423	
Return of shares and capital reduction of invested companies using the equity method	-	30,227
Acquisition of property, plant and equipment	(8,224)	(26)
Decrease in refundable deposits	3,915	(4,166)
Decrease in other receivables (related party) (increase)	22,000	14,000
Decrease in other financial assets — current (increase)	(52,157)	2,024
Decrease in other assets — noncurrent (increase)	(4,247)	12,654
Dividends received	82,540	45,088
Net cash used in investing activities	83,254	(267,514)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal repayment of lease	(2,150)	(2,108)
Increase (decrease) in other noncurrent liabilities	(4,537)	37,983
Cash dividends paid	(138,563)	(147,223)
Net cash used in financing activities	(145,250)	(111,348)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	162,841	(410,935)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	128,572	539,507
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 291,413	\$ 128,572

Chairman : Tsung-Jen Liaw

CEO : Tsung-Jen Liaw

Accounting Manager : Mei-Lien Lin

Bright LED Electronics Corp.
Notes from parent company only financial statements
Year 2024 and 2023
(Unless otherwise specified, all amounts are in units of NT \$thousand)

1. Company history

Bright LED Electronics Corp. (hereinafter referred to as the "Company") was established in June 1981. The company is principally engaged in the manufacturing and sales of light-emitting diode, indicator lights, displays and other extended products and undertaking engineering projects that provide indicator lights, displays and related supporting engineering projects.

2. The date and procedure for the approval of the financial statements

This parent company only financial statement was approved by the board of directors on March 13, 2025.

3. Application of newly issued and revised standards and explanations

(1) The impact of the newly issued and revised standards and interpretations approved by the Financial Regulatory Commission has been adopted

The company has applied the following newly revised International Financial Reporting Standards since January 1, 2024 and has no significant impact on parent company only financial report.

- Amendment to International Accounting Standards (IAS) No. 1 “The classification of liabilities as current or non-current.”
- Amendment to International Accounting Standards (IAS) No. 1 “Non-current liabilities with contractual terms”
- Amendment to International Accounting Standards (IAS) No. 7 and Amendments to International Financial Reporting Standards (IFRS) No. 7 “Supplier financing arrangements”
- Amendments to International Financial Reporting Standards (IFRS) No. 16 “Lease liability in a sale and leaseback transaction”

(2) The company has applied the following newly revised International Financial Reporting Standards since Jan 01, 2025 and has no significant impact on parent company only financial report.

- Amendment to International Accounting Standards (IAS) No. 21 “I Lack of convertibility”

(3) The company expects that the following other newly issued or revised standards that have not yet been approved by the Financial Supervisory Commission may have a significant impact on the parent company only financial reports

Newly issued or revised standards	Main revision	Effective date
Amendments to International Financial Reporting Standards (IFRS) No. 10 and	Clarifies that when an investor transfers its subsidiary to an affiliated enterprise or joint venture, if the assets sold or invested constitute a business,	Pending decision by International Accounting Standards Board

International Accounting Standards (IAS) No. 28 "Sales or investment of assets between investors and their affiliates or joint ventures"

Amendments to International Financial Reporting Standards (IFRS) 18 Presentation and Disclosure in Financial Statements

the investor is deemed to have lost control of the business and all profits or losses should be recognized; if not, unrealized profits and losses should be calculated based on the shareholding ratio, and part of the profits or losses should be deferred and recognized.

The new standard introduces three categories of income and expenses, two subtotal items in the statement of profit or loss, and a single note on management's performance measurement. These three modifications and enhancements provide guidance on how to segment information in the financial statements, establishing a foundation for providing users with better and more consistent information. These changes will impact all companies.

- **More Structured Income Statement:** Under the current standards, companies use different formats to present their operating results, making it difficult for investors to compare financial performance across companies. The new standard adopts a more structured income statement, introducing a newly defined "Operating Profit" subtotal, and requires that all income and expenses be categorized into three new distinct types according to the company's core operating activities.

- **Management Performance Measures (MPM):** The new standard introduces the definition of Management Performance Measures (MPM) and requires companies to disclose, in a single note to the financial statements, an explanation for each performance measure. This includes why the

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measure provides useful information, how it is calculated, and how it is reconciled with the amounts recognized under International Financial Reporting Standards (IFRS).

- More Detailed Information: The new standard includes enhanced guidance on how companies should group information in the financial statements. This includes guidance on whether certain information should be presented in the primary financial statements or disclosed in greater detail in the notes.

Amendments to International Financial Reporting Standards (IFRS) No. 9 and No. 7 "Amendments to the classification and measurement of Financial Instruments"

1. Generally, companies derecognize accounts payable on the settlement date, but the amendment provides an exception for de-recognition of financial liabilities. When a company uses an electronic payment system and meets the following conditions, the exception will allow the company to derecognize its accounts payable before the settlement date:

- The company does not have the ability to revoke, stop, or cancel the payment instruction.
- The company does not have the practical ability to access the cash that will be used for settlement due to the payment instruction.

*The settlement risk associated with the electronic payment system is not significant.

2. For financial assets with contingent characteristics not directly related to the underlying lending risk or cost, additional SPPI (Solely Payments of Principal and Interest) tests are required, including cases where cash flows depend on whether the borrower meets specific ESG (Environmental,

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Social, and Governance) targets in the loan agreement. The amendment also includes additional disclosure requirements for all financial assets and financial liabilities with the following contingent characteristics:

- Changes in the underlying lending risk or cost are not directly related; and
- Not measured at fair value through profit or loss.

The Company is continuing to assess the impact of the above standards and interpretations on the Company's financial position and operating results. The relevant impact will be disclosed when the assessment is completed.

The company expects that the following other newly issued or revised standards that have not yet been approved by the Financial Supervisory Commission will not have a significant impact on the parent company only financial reports

- Amendments to International Financial Reporting Standards (IFRS) No. 17 "Insurance Contracts" and its revision"
- Amendments to International Financial Reporting Standards (IFRS) No. 19 "Subsidiaries without public accountability: Disclosure"
- Annual Improvements to IFRS Accounting Standards
- Amendments to International Financial Reporting Standards (IFRS) No. 9 and No.7 "Power purchase agreements reliant on natural resources"

4. Summary of material accounting policies

A summary of the material accounting policies adopted in this parent company only financial report is as following. The following accounting policies have been consistently applied to all presentation periods in this parent company only financial report.

(1) Compliance statement: This parent company only financial report is prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the Financial Regulatory Commission approved and issued effective International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretation Notice (hereinafter referred to as "International Financial Reporting Standards Recognized by the Financial Regulatory Commission").

(2) Preparation basis:

1. Basis of measurement: Except for the following important items in the balance sheet, the rest items in parent company only financial report is prepared on the basis of historical cost:
 1. Financial assets measured at fair value through profit and loss measured at fair value;
 2. Financial assets at fair value measured by fair value through other comprehensive gains and losses
 3. The net defined benefit liability is measured by subtracting the present value of defined benefit obligations from the fair value of pension plan assets.
2. Functional currency and presentation currency: Each entity of the parent company only company uses the currency of their main economic environment in which its operations are located as its functional currency. This parent company only financial report is expressed in the company's functional currency, New Taiwan Dollar. All financial information expressed in New Taiwan Dollars is in thousands of New Taiwan Dollars.

(3) Foreign currency

1. Foreign currency transaction

Foreign currency transactions are converted into functional currencies at the exchange rate on the transaction date. At the end of each subsequent reporting period (hereinafter referred to as the reporting day), foreign currency monetary items are converted into functional currencies at the exchange rate on that day. Foreign currency non-monetary items measured at fair value are converted to functional currency at the exchange rate on the day when the fair value is measured, and foreign currency non-monetary items measured at historical cost are converted at the exchange rate on the transaction date. Foreign currency exchange differences are usually recognized in income, but the following situations are recognized in other comprehensive gain and loss:

1. Designated as equity instruments measured at fair value through other comprehensive gains and losses;
2. Financial liabilities designated as net investment hedging by foreign operating institutions are within the effective scope of hedging; or
3. Qualified cash flow hedging is within the effective range of hedging.

2. Foreign operating institution

The assets and liabilities of foreign operating institutions, including the goodwill and fair value adjustments generated during the acquisition, are converted into New Taiwan dollars based on the exchange rate on the reporting date; income and expense items are converted into New Taiwan dollars based on the current average exchange rate. The resulting exchange differences are recognized as other comprehensive gains and losses. When disposing a foreign operating institution which results in loss of control, joint control or significant influence, the accumulated exchange differences related to the foreign operating institution are fully reclassified as gains or loss. When partly disposing investments in affiliated companies or joint ventures involving foreign operating institution, the relevant accumulated exchange differences will be reclassified to other comprehensive gains and loss on a pro rata basis.

For monetary receivables or payables from foreign operating institutions, if there is no settlement plan and it is impossible to repay them in the foreseeable future, the foreign currency exchange gains and losses shall be regarded as the net investment of the foreign operating institution and is classified in other comprehensive gains and losses.

(4) Classification criteria for distinguishing between current and non-current assets and liabilities

1. Assets that meet one of the following conditions are classified as current assets, and all others are classified as non-current assets:

1. Expect to realize the asset in its normal business cycle, or intend to sell or consume;
2. Hold the asset primarily for trading purposes;
3. Expected to be realized within twelve months after the reporting period; or
4. Asset is cash or cash equivalents unless there are other restrictions on the asset being exchanged or used to settle a liability at least twelve months after the reporting period.

2. Liabilities that meet one of the following conditions are classified as current liabilities, and all others are classified as non-current liabilities:

1. Expect to settle the liability during the normal operating cycle;
2. Hold the liability primarily for trading purposes;
3. Expect to repay the liability that is due within twelve months after the reporting period; or
4. Liability that does not have the right to unconditionally defer the settlement period to at

least twelve months after the reporting period. The terms of the liability, which may be settled by the issuance of equity instruments based on the choice of the counterparty, does not affect its classification.

3. Other

The company also engages in project planning, design and construction contracting with an operating cycle of approximately five to seven years. Such assets and liabilities related to the contracting business will be classified as current or non-current based on the operating cycle.

(5) Cash and cash equivalent

Cash includes cash on hand and demand deposits. Cash equivalent refers to a short-term and highly liquid investment that can be converted into fixed cash at any time with little risk of value changes. Term deposits that meet the aforementioned definition and whose holding purpose is to meet short-term cash commitments rather than investment or other purposes are listed in cash equivalents.

(6) Financial instrument

1. Financial assets:

Financial assets at initial recognition are classified as: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive gain or loss, and financial assets measured at fair value through profit or loss. The company only reclassifies all affected financial assets from the first day of the next reporting period when changing the business model for managing financial assets.

1. Financial assets measured at amortized cost

When financial assets meet the following conditions at the same time and are not designated to be measured at fair value through profit and loss, they are measured at amortized cost:

- The financial asset is held under the business model for the purpose of collecting contractual cash flow.
- The contract terms of the financial asset generate cash flow on a specific date, which is entirely the interest on the payment of the principal and the amount of principal in circulation.

These assets are subsequently measured by adding or subtracting the accumulative amortization amount calculated using the effective interest method to the originally recognized amount, and adjusting the amortized cost of any allowance loss. Interest income, foreign currency exchange gains and losses, and impairment losses are recognized in profit and loss. When delisting, the profit or loss is included into income.

2. Financial assets measured at fair value through other comprehensive gains and losses

When debt instrument for investment meets the following conditions at the same time and is not designated as measured at fair value through income, it is measured at fair value through other comprehensive gains and losses:

- The financial asset is held under the business model for the purpose of collecting contractual cash flow and selling.
- The contract terms of the financial asset generate cash flow on a specific date, which is entirely the interest on the payment of the principal and the amount of principal in circulation.

At the time of initial recognition, the company can make an irrevocable choice which is to report subsequent changes in the fair value of equity instrument investments that are not held for trading in other comprehensive income. The aforementioned choices are made on

a tool-by-tool basis.

Investments, which are equity instruments, are subsequently measured at fair value.

Dividend income (unless it clearly represents the recovery of part of the investment cost) is recognized in income. The remaining net gains or losses are recognized as other comprehensive gains and losses and are not reclassified to income.

Dividend income from equity investments is recognized on the date when the company has the right to receive dividends (usually the ex-dividend date).

3. Financial assets measured at fair value through income.

Financial assets other than those measured at amortized cost or at fair value through other comprehensive gains and losses are measured at fair value through income, including derivative financial assets. The company intends to sell accounts receivable immediately or in the near future, which is measured at fair value through profit and loss, but is included under accounts receivable. At the time of initial recognition, in order to eliminate or significantly reduce the improper accounting ratio, the company has to irrevocably designate financial assets that could meet the criteria for measuring at amortized cost or at fair value through other comprehensive gains and losses as at fair value through income.

These assets are subsequently measured at fair value, and their net profit or loss (including any dividends and interest income) is recognized as profit or loss.

4. Impairment of financial assets

The company focuses on financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized cost, notes receivable and accounts receivable, other receivables, deposit deposits and other financial assets). Assets, etc.), debt instrument investments measured at fair value through other comprehensive gains and losses, and expected credit losses of contract assets to recognize allowance losses.

The following financial assets are measured by the amount of expected credit losses for twelve months, and the rest are measured by the amount of expected credit losses during the duration:

- The credit risk of the judgment debt securities at the reporting date is low; and
- The credit risk of other debt securities and bank deposits (that is, the risk of default in the expected lifetime of financial instruments) has not increased significantly since initial recognition.

The allowance for losses on accounts receivable and contract assets is measured by the amount of expected credit losses during the duration.

When determining whether the credit risk has increased significantly since the initial recognition or not, the company considers reasonable and verifiable information (which can be obtained without excessive cost or investment), including qualitative and quantitative information, and based on the company's historical experience, credit assessment and forward-looking information for analysis.

If the contract payment is overdue, the company assumes that the credit risk of financial assets has increased significantly.

If the borrower is unlikely to perform its credit obligations and pay the full amount to the company, the company considers that the financial asset has breached the contract. Expected credit loss during the lifetime refers to the expected credit loss arising from all possible defaults during the expected lifetime of a financial instrument.

Twelve-month expected credit losses refer to expected credit losses arising from possible defaults of financial instruments within twelve months after the reporting date (or

a shorter period, if the expected duration of the financial instrument is shorter than twelve months).

The company's longest period for expected credit losses is the company's longest contract period during which the company is exposed to credit risk.

Expected credit loss is the probability-weighted estimate of the credit loss during the expected life of the financial instrument. Credit loss is measured by the present value of all short-term cash receipts, that is, the difference between the cash flow that the company can receive in accordance with the contract and the cash flow that the company expects to receive. Expected credit losses are discounted at the effective interest rate of financial assets.

On each reporting date, the company evaluate whether there is credit impairment for financial assets measured at amortized cost and debt securities measured at fair value through other comprehensive gains and losses. When one or more events that have an adverse effect on the estimated future cash flow of a financial asset have occurred, the financial asset has been credit-impaired. Evidence that financial assets have been credit-impaired includes observable information about the following matters:

- Major financial difficulties of the borrower or issuer
- Breach of contract, such as delay or overdue
- Due to economic or contractual reasons related to the borrower's financial difficulties, the company gives the borrower a concession which the company wouldn't considered;
- The borrower is likely to file for bankruptcy or other financial reorganization; or
- Due to financial difficulties, the active market for this financial asset disappears.

The allowance loss for financial assets measured at amortized cost is deducted from the asset's book value. Through other comprehensive gains and losses, the fair value of the debt instrument for investment is measured by adjusting the income and recognized in other comprehensive gains and losses (without reducing the asset's book value).

When the company cannot reasonably expect the recovery of financial assets as a whole or part of it, the company directly reduces the total book value of its financial assets. For corporate accounts, the company individually analyzes the timing and amount of write-off based on whether it is reasonably expected to be recoverable. The company expects that the amount of written-off will not be materially reversed. However, financial assets that have been written off can still be enforced to comply with the company's procedures for recovering overdue amounts.

5. Delisting of financial assets

The company only terminates the contractual rights from the cash flow of the asset, or the financial asset has been transferred and almost all the risks and rewards of the asset ownership have been transferred to other companies, or almost no ownership has been transferred or retained and not kept under the control of the financial asset, the financial asset is delisted.

If the company signs a transaction to transfer financial assets that still retains all or almost all risks and rewards of ownership of the transferred assets, it will continue to be recognized on the balance sheet.

2. Financial liabilities and equity instruments:

1. Classification of liabilities or equity

The debt and equity instruments issued by the company are classified as financial liabilities or equity based on the substance of the contractual agreement and the definition of financial liabilities and equity instruments.

2. Equity transaction

An equity instrument refers to any contract that recognizes the remaining equity of the parent company only company after deducting all its liabilities from its assets. The equity instruments issued by the company are recognized at the amount obtained after deducting the cost of direct issuance.

3. Treasury stock

When repurchasing the equity instruments recognized by the company, the consideration paid (including directly attributable costs) is recognized as a reduction in equity. The repurchased shares are classified as treasury stock. The received amount of subsequent sales or re-issuance of treasury stocks is recognized as an increase in equity and the surplus or loss incurred by the transaction will be recognized as capital reserve or retained surplus (if the capital reserve is insufficient to offset).

4. Financial liabilities

Financial liabilities are classified as amortized cost or measured at fair value through profit and loss. If financial liabilities are held for trading, derivatives, or designated at the time of initial recognition, they are classified as measured at fair value through income. Financial liabilities measured at fair value through income are measured at fair value, and its related net profits and losses, including any interest expenses, are recognized in income.

Other financial liabilities are subsequently measured at the cost after amortization using the effective interest method. Interest expenses and gains and losses from exchange are recognized in income. Any profit or loss at the time of exclusion is also recognized in income.

5. Delisting of financial liabilities

The company delists financial liabilities when contractual obligations have been fulfilled, cancelled or expired. When the financial liability terms are modified and there is a significant difference in the cash flow of the liabilities after the modification, the original financial liabilities will be delisted and the new financial liabilities will be recognized at fair value based on the modified terms.

When delisting financial liabilities, the difference between its book value and the total consideration paid or payable (including any transferred non-cash assets or liabilities assumed) is recognized as income.

6. Offset between financial assets and liabilities

Financial assets and financial liabilities are only offset when the company currently has legally enforceable rights to offset and intends to settle on a net amount or realize assets and liquidate liabilities at the same time. Such offset will be expressed on the balance sheet as a net amount.

(7) Inventory

Inventory is measured by the lower of cost and net realizable value. Cost includes the acquisition, production or processing costs and other costs incurred to bring inventory to the available location and status. Such inventory is calculated by the weighted average method. The cost of finished goods and work-in-progress inventory includes manufacturing expenses that are amortized in proportion to normal production capacity.

Net realizable value refers to the estimated selling price under normal operations minus the estimated costs required to complete the project and the estimated costs required to complete the sale.

(8) Investment-related enterprises

Affiliated companies are those companies that have significant influence over their financial

and operating policies but are not controlled or jointly controlled.

The company shall adopt the equity method to deal with the equity of the related companies. Under the equity method, the original acquisition is recognized based on cost, and the investment cost includes the cost of the transaction. The carrying amount of an investment-related enterprise includes the goodwill identified at the time of the original investment, less any accumulated impairment losses.

The parent company only financial statement includes from the date of significant influence to the date of loss of significant influence. After adjustments to the consistency of the parent company only company's accounting policies, the parent company only company recognizes the profit and loss of the investment-related enterprise and other amount of comprehensive profit and loss. When the related company's equity changes in non-profit and loss and other comprehensive profit and loss do not affect the shareholding ratio of the parent company only company, the parent company only company will be recognized as a capital reserve according to the shareholding ratio.

The unrealized benefits and losses arising from the exchange between the parent company only company and the affiliated company shall be recognized in the enterprise's financial statements only within the scope of the non-related investor's interest in the affiliated enterprise.

When the parent company only company should recognize the proportion of the affiliated company's loss equal to or exceeds its equity in the affiliated company, it will stop recognizing its loss, but only when statutory obligations, deductions or payments have been made on behalf of the invested company within the scope, recognize additional losses and related liabilities.

(9) Invested subsidiaries

When preparing the individual financial report, the Company adopts the equity method to evaluate the investee. Under the equity method, the current profit and loss and other comprehensive profit and loss of the individual financial report and the financial report prepared on the consolidated basis are the same as the amount attributable to the owner of the parent company, and the owner's equity of the individual financial report and the consolidated basis are prepared. Equity attributable to the owners of the parent company in the financial statements is the same. Changes in the company's ownership interests in subsidiaries that do not result in the loss of control are treated as equity transactions with the owners.

(10) Property, plant, and equipment

1. Recognition and measurement

Property, plant and equipment items are measured by cost (including capitalized borrowing costs) less accumulated depreciation and any accumulated impairment.

When the major components of property, plant and equipment have different durability, they are treated as separate items (main components) of property, plant and equipment.

The property, plant and equipment gains or loss by disposal is recognized in income.

2. Follow-up costs

Subsequent expenditures are only capitalized when their future economic benefits are likely to flow into the parent company.

3. Depreciation

Depreciation is calculated based on the cost of assets minus the residual value, and the straight-line method is recognized in profit or loss within the estimated useful life of each component.

The land is not subject to depreciation.

The estimated service life of the current period and the comparative period is as follows:

(1) Housing and construction: 2 ~ 55 years

(2) Machine equipment: 2 ~ 8 years

(3) Others: Except that lease improvements are listed according to the lease term, the rest are 2 to 8 years.

The parent company only company reviews the depreciation method, durability, and residual value on each reporting day and makes appropriate adjustments when necessary.

(11) Lease

1. Lease judgment

The parent company only company evaluates whether the contract is a lease or contains a lease on the establishment date. If the contract transfers control over the use of the identified asset for a period of time in exchange for consideration, the contract is a lease or contains a lease. In order to evaluate whether the contract is a lease, the company evaluates the following items:

(1) The contract involves the use of an identified asset. The identified asset is specified in the contract or implied by the time when it is available for use. Its entity can distinguish or represent substantially all of its production capacity. If the supplier has substantive rights to replace the asset, the asset is not an identified asset; and

(2) The customer has the right to obtain almost all economic benefits from the use of the identified assets throughout the period of use; and

(3) The client obtains the right to lead the use of identified assets when one of the following conditions is met:

- The customer has the right to lead the use and purpose of the identified assets throughout the use period; or
- The relevant decisions about the use method and purpose of the asset are determined in advance, and:
 - The customer has the right to operate the asset during the entire use period, and the supplier does not have the right to change the operation instructions; or
 - The way the customer designs the asset has pre-determined the way and purpose of use for the entire period of use.

2. Lessee

The company recognizes the right-of-use asset and lease liability on the lease start date. The right-of-use asset is originally measured at cost, which includes the original measured amount of the lease liability, adjusts any lease payments paid on or before the lease start date, and adds the original direct cost incurred and the estimated cost of dismantling, removing the underlying asset and restoring its location or underlying asset, and deducting any leasing incentives received.

The right-of-use asset is subsequently depreciated on a straight-line basis between the start of the lease and the end of the end-of-life of the right-of-use asset or the end of the lease period. In addition, the parent company periodically assesses whether the right-of-use asset is impaired and processes any impairment loss that has occurred, and cooperates to adjust the right-of-use asset when the lease liability is re measured.

Lease liabilities are originally measured by the present value of the lease payments that have not been paid on the lease start date. If the implied interest rate of the lease is easy to determine, the discount rate is that rate. If it is not easy to determine, the incremental borrowing rate of the parent company is used. Generally speaking, the parent company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of lease liabilities include:

(1) Fixed payment, including substantial fixed payment;

- (2) The lease payment depends on the change of an index or fee rate, the original measurement is based on the index or rate of the lease start date;
- (3) The guaranteed amount of residual value expected to be paid; and
- (4) When reasonably determined that the purchase option or lease termination option will be exercised, the exercise price or the penalty payable.

The lease liability is subsequently accrued by the effective interest method, and its amount is measured when the following occurs:

- (1) Changes in the index or rate used to determine lease payments result in changes in the future lease payments;
- (2) The guaranteed amount of residual value expected to be paid has changed;
- (3) The evaluation of the underlying asset purchase option has changed;
- (4) The estimate of whether to exercise the extension or termination option has changed, and the assessment of the lease period has been changed;
- (5) Modification of lease subject, scope or other terms.

When the lease liability is re measured due to changes in the aforementioned index or rate used to determine lease payments, changes in the residual value guarantee amount, and changes in the evaluation of purchase, extension or termination options, the book value of the right-of-use asset should be adjusted accordingly, and When the carrying amount of the right-of-use asset is reduced to zero, the remaining re measured amount is recognized in profit or loss.

For lease modifications that reduce the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or full termination of the lease, and the difference between the lease and the re measured amount of the lease liability is recognized in profit or loss.

The parent company expresses the right-of-use assets and lease liabilities that do not meet the definition of investment real estate as separate line items in the balance sheet.

3. Lessor

The transaction of the company as the lessor is to classify the lease contract according to whether it transfers almost all the risks and rewards attached to the ownership of the underlying asset on the date of the lease establishment. If it is classified as a financial lease, otherwise it is classified as an operating lease. At the time of evaluation, the parent company considers whether it covers the relevant specific indicators such as whether it covers the main part of the economic life of the underlying asset during the lease period. If the agreement includes lease and non-lease components, the parent company uses IFRS 15 to distribute the consideration in the contract.

(12) Impairment of non-financial assets

The company assesses on each reporting day whether there is any indication that the carrying amount of non-financial assets (other than inventory, contract assets, deferred income tax assets) may be impaired. .

For the purpose of impairment testing, a group of assets whose cash inflows are largely independent of the cash inflows of other individual assets or asset groups is used as the smallest identifiable asset group.

The recoverable amount is the higher of the fair value of individual assets or cash-generating units minus the cost of sales and its use value. When assessing value in use, the estimated future cash flow is converted to the present value at a pre-tax discount rate, which should reflect the current market assessment of the time value of money and the specific risks of the asset or cash-generating unit. If the recoverable amount of an individual asset or

cash-generating unit is lower than the carrying amount, an impairment loss is recognized. Impairment losses are recognized immediately in the current profit and loss.

(13) Revenue recognition

1. Revenue from customer contracts

Revenue is measured by the consideration expected to be obtained for the transfer of goods or services. The parent company recognizes revenue when the control of goods or services is transferred to the customer and the performance obligations are met. The company is explained as follows according to the main income items:

(1) Selling goods

The company recognizes revenue when the control of the product is transferred. The transfer of control of the product means that the product has been delivered to the customer, the customer can fully determine the sales channel and price and there is no unfulfilled obligation that will affect the customer's acceptance of the product. Delivery occurs when the product is shipped to a specific location, its obsolescence and risk of loss have been transferred to the customer, and the customer has accepted the product in accordance with the sales contract, the acceptance terms have lapsed, or the company has objective evidence that all acceptance conditions have been met.

The company's average credit period is 90 days, which is consistent with the industry's practice, so it does not include financing elements.

The company recognizes the accounts receivable when delivering the goods, because the company has the right to receive the consideration unconditionally at that time.

(2) Construction contract

The company is engaged in public construction business. Since the assets are controlled by customers at the time of construction, the revenue is gradually recognized over time based on the proportion of the engineering costs incurred so far to the estimated total contract costs. The contract includes fixed and variable consideration. The customer pays a fixed amount according to the agreed time. Some changes in the consideration are estimated using the accumulated experience in the past as the expected value; other changes in the consideration are estimated based on the most likely amount. Considering that the construction progress of public works is influenced by factors that are not under the control of the parent company, the rewards for early completion are usually limited. The parent company only recognizes revenue within the scope of the cumulative income height that is unlikely to undergo a major turnaround. If the amount of the recognized income has not been requested, it is recognized as a contract asset. When there is an unconditional right to the consideration, the contract asset is transferred to the accounts receivable.

If it is not possible to reasonably measure the degree of completion of the performance obligations of the engineering contract, contract revenue is recognized only within the range of expected recoverable costs.

When the company anticipates that the inevitable cost of fulfilling the obligations of a construction contract exceeds the expected gains from the contract, the liability provision for the lossy contract is recognized.

If the situation changes, the estimates of income, cost, and degree of completion will be revised, and during the period when the management is informed of the change in the situation, the resulting changes will be reflected in income.

The company provides standard warranty for public construction that conforms to the agreed specifications and has recognized warranty liability for this obligation.

(3) Financial components

The company expects that the time between the transfer of all customer contracts for goods or services to the customer and the time for the customer to pay for the goods or services will not exceed one year. Therefore, the company does not adjust the monetary time value of the transaction price.

(14) Cost of customer contract

1. The incremental cost of obtaining a contract

If the company expects to recover the incremental cost of obtaining a customer contract, the cost is recognized as an asset. The incremental cost of obtaining a contract is the cost incurred in obtaining a customer contract and not incurred if the contract is not obtained. The cost of obtaining a contract that will occur regardless of whether the contract is obtained is recognized as an expense when incurred, unless such cost is clearly chargeable to the customer regardless of whether the contract has been obtained.

The company adopts the standard practical expedient method. If the incremental cost of obtaining a contract is recognized as an asset and the amortization period of the asset is within one year, it is recognized as an expense when the incremental cost occurs.

2. The cost of fulfilling the contract

If the costs incurred in fulfilling the customer's contract are not within the scope of other standards (International Accounting Standard No. 2 "Inventory", International Accounting Standard No. 16 "Real Estate, Plant and Equipment" or International Accounting Standard No. 38 "Intangible Assets"), The parent company will only begin when these costs are directly related to the contract or clearly identifiable expected contract, will generate or strengthen resources that will be used to meet (or continue to meet) performance obligations in the future, and are expected to be recovered. Such costs are recognized as assets.

General and administrative costs, wasted raw materials used to fulfill the contract but are not reflected in the contract price, labor or other resource costs, costs related to fulfilled (or partially fulfilled) performance obligations, and inability to distinguish between unsatisfied and unsatisfied performance. Costs related to obligations or fulfilled (or partially fulfilled) performance obligations are recognized as expenses when incurred.

(15) Government subsidy

When the parent company only company can receive government subsidies related to salary expenditures, the unconditional subsidies are recognized as other income. For other asset-related subsidies, when the company can reasonably be sure that it will comply with the conditions attached to the government subsidy and will receive the subsidy, such subsidies will be recognized as deferred income at fair value and recognize the deferred income as other income on a systematic basis within the useful life of the asset. For compensating the parent company only company's expenses or losses, such subsidies are recognized in income on a systematic basis and its related expenses as well are recognized in income.

(16) Employee benefits

1. Determine the withdrawal plan

The obligation to determine the pension plan is recognized as an expense during the service period of the employee.

2. Determine the welfare plan

The company's net obligation to determine the benefit plan is calculated for each benefit plan based on the present value of the employee's future benefits earned during the current or previous period of service, and the fair value of any plan assets is deducted.

The determination of welfare obligations is carried out annually by a qualified actuary

based on the expected unit welfare method. When the calculation result may be beneficial to the company, the recognized asset is limited to the present value of any economic benefits that may be obtained in the form of refunding the withdrawal from the plan or reducing the future withdrawal from the plan. When calculating the present value of economic benefits, any minimum funding requirements are considered.

The re-measured amount of net-determined welfare liabilities, including actuarial gains and losses, planned asset compensation (excluding interest), and any changes in the asset ceiling effect (excluding interest) are immediately recognized in other comprehensive profit and loss and accumulated in retained earnings. The company determines the net interest expense (income) of the net determined benefit liability (asset), using the net determined benefit liability (asset) and discount rate determined at the beginning of the annual reporting period. The net interest expense and other expenses that determine the benefit plan are recognized in profit or loss.

When the plan is revised or reduced, the number of changes in welfare related to previous service costs or reduced benefits or losses is immediately recognized as profit or loss. When liquidation occurs, the company recognizes and determines the liquidation profit and loss of the welfare plan.

3. Short-term employee benefits

Short-term employee benefit obligations are recognized as expenses when services are provided. If the company has current statutory or presumptive payment obligations due to employees providing services in the past, and the obligation can be reliably estimated, the amount is recognized as a liability.

(17) Share-based payment transaction

The share-based payment agreement for equity settlement is based on the fair value of the payment date. During the vesting period of the reward, the expense is recognized and the relative equity is increased. The recognized expense is adjusted according to the expected amount of rewards that meet the service conditions and non-market-priced vested conditions; and the final recognized amount is measured on the basis of the amount of rewards that meet the service requirements and non-market-priced vested conditions on the vesting day.

The non-vested conditions for the share-based payment of rewards have been reflected in the measurement of the daily fair value of the share-based payment and the difference between the expected and actual results does not need to be verified and adjusted.

The fair value of amount payable to employees for cash-delivered share appreciation rights is to recognize expenses and increase relative liabilities during the period when employees can obtain unconditional remuneration. The liability is remeasured on the basis of the fair value of the share appreciation rights on each reporting date and settlement date, and any changes in it are recognized as income.

(18) Income tax

Income tax includes current and deferred income tax. Except for those related to business consolidations or related items recognized directly in equity or other comprehensive gains or loss, current income tax and deferred income tax should be recognized in income.

Current income tax includes the estimated income tax payable or tax receivable payable based on the taxable income (loss) of the current year and any adjustments to income tax payable or tax receivable in the previous year. The amount is based on the statutory tax rate on the reporting date or the tax rate of substantive legislation to measure the best estimate of the amount expected to be paid or received.

Deferred income tax measures and recognizes the temporary difference between the book

value of assets and liabilities for financial statement purposes and their tax base. Temporary differences arising from the following circumstances are not recognized as deferred income tax:

1. Assets or liabilities originally recognized in a transaction that is not a business consolidation and does not affect accounting profits and taxable income (loss) at the time of the transaction;
2. Due to temporary differences arising from investment in subsidiaries, affiliated companies and joint venture interests, the company can control the timing of the temporary difference reversal and is likely to not revert in the foreseeable future.
3. Taxable temporary differences arising from the original recognition of goodwill.

Deferred income tax is measured at the tax rate at which the temporary difference is expected to reverse, and is based on the legal tax rate or substantive legislative tax rate on the reporting date.

The company will only offset the deferred income tax assets and deferred income tax liabilities when it meets the following conditions at the same time:

1. Have statutory enforcement power to offset current income tax assets and current income tax liabilities; and
2. Deferred income tax assets and deferred income tax liabilities are related to one of the following taxpayers subject to income tax levied by the same tax authority;
 1. The same taxpayer; or
 2. Different taxpayers, but each entity intends to pay off the current income tax liabilities and assets on a net basis for each future period in which significant amounts of deferred income tax assets are expected to be recovered and deferred income tax liabilities are expected to be settled, or at the same time Assets and liquidation of liabilities.

For the unused taxable losses and unused income tax credits at the later stage of transfer and deduction, the temporary difference can be recognized as deferred income tax assets in the range where there is a possibility that future taxable income will be available. It will be reassessed on each reporting day to reduce the relevant income tax benefits to the extent that it is not likely to be realized; or to revert the amount that has been reduced to the extent that it is likely to have sufficient taxable income.

(19) Earnings per share

The parent company only company lists the basic and diluted earnings per share attributable to the holders of the company's common equity. The basic earnings per share of the parent company only company is calculated by dividing the profit and loss attributable to the holders of the common stock equity of the company by the current weighted average number of common shares outstanding. Diluted earnings per share is calculated by adjusting the impact of all potential diluted common shares by dividing the profit and loss attributable to the common equity holders of the company and the weighted average number of common shares outstanding. The potential dilutive common stock of the parent company only company includes the employee's stock options and estimated employee compensation.

(20) Department Information

The operating department is an integral part of the parent company only company and is engaged in business activities that may earn income and incur expenses (including income and expenses related to transactions between other components in the parent company only company). The operating results of all operating departments are regularly reviewed by the chief operating decision maker of the parent company only company to make decisions on the allocation of resources to that department and evaluate its performance. Each operating department has separate financial information.

5. Major sources of uncertainty in significant accounting judgments, estimates and assumptions

When the management team prepares this parent company only financial statement in accordance with the International Financial Reporting Standards recognized by the Financial Supervisory Commission, it must make judgments, estimates and assumptions that will affect the adoption of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Management team continues to review estimates and basic assumptions, and changes in accounting estimates are recognized during the period of change and future periods affected.

The accounting policy involves significant judgments and has no significant impact on the amount recognized in this parent company only financial statement.

Among uncertainties in assumptions and estimates, the existence of significant risks that will not cause major adjustments for the following year will be as follows:

(1) Allowance loss for accounts receivable

The allowance loss for the accounts receivable of the parent company only company is estimated based on the assumption of default risk and expected loss rate. The company considers historical experience, current market conditions and forward-looking estimates on each reporting day to determine the assumptions and input values that must be used when calculating impairments.

Please refer to Note 6 (3) for detailed explanations of relevant assumptions and input values.

6. Explanation of important accounting items

(1) Cash and Cash equivalent:

	<u>2024.12.31</u>	<u>2023.12.31</u>
Petty cash, cheques and demand deposits	\$ 245,185	\$ 91,726
Fixed deposits	<u>46,228</u>	<u>36,846</u>
	<u><u>\$ 291,413</u></u>	<u><u>128,572</u></u>

Please refer to Note 6 (18) for the disclosure of interest rate risk and sensitivity analysis of the parent company only company's financial assets and liabilities.

The parent company only company's fixed deposits, which is for more than three months, as of December 31, 2023 and 2022, was \$4,885 thousands NT dollars and \$0. Because they were not used as the parent company only company's short-term assets, the accounts were recognized under other financial assets-current items. Please refer to note 6 (8) for details.

(2) Financial assets measured at fair value through other comprehensive gains and losses:

	<u>2024.12.31</u>	<u>2023.12.31</u>
Equity instruments measured at fair value through profit or loss:		
Money market funds	\$ 202,574	\$ 201,943
Equity instruments measured at fair value through other comprehensive gains and losses :		
Domestic listed (counter) company stocks-Powertip	272,939	\$ 301,469
Domestic unlisted (counter) company stocks-WK 9 ASSOCIATES LTD	216,702	274,302

Domestic unlisted (counter) company stocks — Other	313,674	330,577
U.S. listed company stocks	903	738
TOTAL	\$ 804,218	\$ 1,109,029

- Investments in equity instruments measured at fair value through profit or loss:
Please refer to Note 6(17) for the amounts recognized in profit or loss by the Company at fair value.
- Investment in equity instruments measured at fair value through other comprehensive gains and losses:
Due to the above-mentioned designation as an equity instrument investment measured at fair value through other comprehensive gains and losses, the dividend income recognized in 2024 and 2023 were \$59,388,000 and \$26,052,000, respectively.
In 2023, the company added a new investment company, WK 9 Phase II Venture Capital Co., Ltd., with a shareholding ratio of 17.81% and a total investment amount of \$200,000 thousands NT dollars.
- For credit risk and market risk information, please refer to Note 6 (18).
- None of the parent company only company's financial assets measured at fair value through other comprehensive gains and losses have been provided as pledge and guarantees as of December 31, 2024 and 2023.

(3) Notes receivable, accounts receivable and collections

	2024.12.31	2023.12.31
Notes receivable — Occurs due to business	\$ 6,816	\$ 11,640
Accounts receivable	263,144	245,644
Accounts receivable — Related parties	54,216	103,340
Collection	260,186	286,519
Deduct : Allowance for bad debts	(261,442)	(287,222)
	\$ 322,920	\$ 359,921

The parent company only company adopts a simplified method to estimate expected credit losses for all notes receivable and accounts receivable that is, using lifetime expected credit losses to measure. For the purpose of measurement, these notes and accounts receivable are based on the basis of representing customers' common credit risk characteristics of the contractual terms and ability to pay all due amounts are grouped and forward-looking information has been incorporated, including general economic and related industry information. The expected credit loss of the parent company only company's notes and accounts receivable analysis is as follow:

	2024.12.31		
	Accounts receivable Book value	Weighted avg. expected credit loss ratio	Expected credit loss during the allowance period
Not overdue	\$ 304,050	0.01%	22
Less than 90 days overdue	20,126	6.13%	1,234
More than 366 days overdue	260,186	100%	260,186
	\$ 584,362		261,442

	2023.12.31		
	Accounts receivable	Weighted avg. expected credit loss ratio	Expected credit loss during the allowance period
	Book value		
Not overdue	\$ 347,103	0.01%	(27)
Less than 90 days overdue	13,521	5.00%	(676)
More than 366 days overdue	286,519	100%	(286,519)
	\$ 647,143		(287,222)

The parent company only company's notes receivables, accounts receivable and collections of the allowance loss's statement of changes are as follows:

	2024	2023
Beginning balance	\$ 287,222	\$ 312,525
Recognized impairment loss	404	448
Reversal of impairment loss	(26,184)	(25,751)
Ending balance	\$ 261,442	\$ 287,222

None of the parent company only company's notes and accounts receivables have been provided as pledge and guarantees as of December 31, 2024 and 2023.

(4) Inventory

1. The inventory details are as follows:

	2024.12.31	2023.12.31
Raw materials and consumables	\$ 17,325	\$ 20,381
Semi-finished goods	734	7,138
WIP goods	193	-
Finished goods	3,451	4,240
Raw materials in transit	2,812	937
	\$ 24,515	\$ 32,696

2. The parent company only company recognizes the loss of inventory depreciation due to inventory write-down to the net realizable value, or the increase in the net realizable value due to the improvement of economic conditions and the reduction of the recognized cost of goods sold are as follows:

	2024	2023
Loss for market price decline and obsolescence.	\$ 280	1,067
(Gain from recovery)		

3. None of the parent company only company's inventories have been provided as pledge and guarantees as of December 31, 2024 and 2023.

(5) Investment using the equity method

The parent company only company's investments using the equity method on the reporting date are listed below:

	2024.12.31	2023.12.31
Subsidiaries	\$ 2,470,453	\$ 2,505,985
Associated companies	241,651	213,568
	<u><u>\$ 2,712,104</u></u>	<u><u>\$ 2,719,553</u></u>

1. Please refer to 2024 consolidated financial report
2. The associated companies from the parent company only company that adopt the equity method are individually insignificant, and their summary financial information is as follows. Such financial information is the amount included in the company's individual financial report:

	2024.12.31	2023.12.31
Period-end summary of the equity of individual insignificant associated companies		
Book value	<u><u>\$ 241,651</u></u>	<u><u>996,693</u></u>
	2024	2023
Share attributable to the parent company only company :		
Continuing business unit's current net profit	\$ 45,922	\$ 49,912
Other comprehensive gain and loss	6,362	(1,690)
Total comprehensive gain and loss	<u><u>\$ 52,284</u></u>	<u><u>\$ 48,222</u></u>

3. Guarantee

None of the parent company only company's investment using the equity method has been provided as pledge and guarantees as of December 31, 2024 and 2023.

4. In January 2024, the Company sold 44,000 shares of Powertip Image Corp. for a net disposal price of NT\$3,423,000. After deducting the book value of NT\$872,000 and the exchange difference of NT\$(26) thousand from the translation of the financial statements of overseas operating entities, the Company recognized a total investment gain of NT\$2,525,000, and the shareholding ratio decreased from 18.73% to 18.62%

(6) Property, plant and equipment

The cost and depreciation changes of the parent company only company's property, plant and equipment are as follows:

	Property	Plant	Equipment	Other	Total
Cost :					
Balance as of January 1, 2024	\$ 41,360	30,41	13,112	24,757	109,646
Add	-	-	9,834	-	9,834
Dispose	-	-	-	(528)	(528)
Balance as of December 31, 2024	<u><u>\$ 41,360</u></u>	<u><u>30,41</u></u>	<u><u>22,946</u></u>	<u><u>24,229</u></u>	<u><u>118,952</u></u>
Balance as of January 1, 2023	\$ 41,360	30,605	13,086	25,056	110,107
Add	-	-	26	-	26
Depose	-	(188)	-	(299)	(487)

Balance as of December 31, 2023	<u>\$ 41,360</u>	<u>30,417</u>	<u>13,112</u>	<u>24,757</u>	<u>109,646</u>
Depreciation :					
Balance as of January 1, 2024	\$ -	24,01	9,643	24,752	58,411
Depreciate	-	38	2,220	5	2,613
Dispose	-	-	-	(528)	(528)
Balance as of December 31, 2024	<u>\$ -</u>	<u>24,40</u>	<u>11,863</u>	<u>24,229</u>	<u>60,496</u>
Balance as of January 1, 2023	\$ -	23,818	7,747	24,998	56,563
Depreciate	-	386	1,896	53	2,335
Dispose	-	(188)	-	(299)	(487)
Balance as of December 31, 2023	<u>\$ -</u>	<u>24,016</u>	<u>9,643</u>	<u>24,752</u>	<u>58,411</u>
Book value :					
Balance as of December 31, 2024	<u>\$ 41,360</u>	<u>6,013</u>	<u>11,083</u>	<u>-</u>	<u>58,456</u>
Balance as of December 31, 2023	<u>\$ 41,360</u>	<u>6,401</u>	<u>3,469</u>	<u>5</u>	<u>51,235</u>

None of the parent company only company's property, plant and equipment has been provided as pledge and guarantees as of December 31, 2024 and 2023.

(7) Right-of-use asset

The cost and depreciation of the parent company only company's leased land, houses and buildings, etc., are detailed as follows:

	<u>Property & plant</u>
Cost of right-of use asset :	
Balance as of December 31, 2024	<u>\$ 9,014</u>
Balance as of December 31, 2023	<u>\$ 9,014</u>
Depreciation of right-of use asset:	
Balance as of January 1, 2024	\$ 2,621
Current depreciation	<u>2,167</u>
Balance as of December 31, 2024	<u>\$ 4,788</u>
Balance as of January 1, 2023	\$ 455
Current amortization	<u>2,166</u>
Balance as of December 31, 2023	<u>\$ 2,621</u>
Book value :	
Balance as of December 31, 2024	<u>\$ 4,226</u>
Balance as of December 31, 2023	<u>\$ 6,393</u>

(8) Other financial assets-current

	<u>2024.12.31</u>	<u>2023.12.31</u>
Other receivables	\$ 87,150	\$ 12,194
Restricted assets-fixed deposits	-	4,885
Other	<u>5,956</u>	<u>6,418</u>
	<u>\$ 93,106</u>	<u>\$ 23,497</u>

None of the parent company only company's other receivables has been impaired as of

December 31, 2024 and 2023.

(9) Other payables and other current liabilities

	2024.12.31	2023.12.31
Payable expenses	\$ 12,486	\$ 7,168
Salaries and bonuses payable	15,753	15,754
Payable employee dividends and remuneration to directors and supervisors	27,922	28,745
Pension payable	446	424
Other	489	1,922
	<u>\$ 57,096</u>	<u>\$ 54,013</u>

(10) Lease liability

The book values of the parent company only company's lease liabilities are as follows:

	2024.12.31	2023.12.31
Current	<u>\$ 1,723</u>	<u>2,150</u>
Non-current	<u>\$ 2,590</u>	<u>4,313</u>

For maturity analysis, please refer to Note 6 (18) Financial Instruments.

The amounts recognized in income are as follows:

	2024	2023
Interest expense on lease liability	<u>\$ 106</u>	<u>148</u>
Changes in lease payments that are not included in the measurement of lease liabilities and Costs for short-term leases and low-value leased assets	<u>\$ 393</u>	<u>418</u>

The amounts recognized in the cash flow statement are as follows:

	2024	2023
Total cash outflow from lease	<u>\$ 2,649</u>	<u>2,674</u>

The parent company only company's renews period for the lease term of land, houses and buildings as office premises and factory plants is usually three to five years.

(11) Employee benefits

1. Determine the benefit plan

The parent company only company determines the adjustment between the present value of welfare obligations and the fair value of project assets as follows

	2024.12.31	2023.12.31
Determine the present value of welfare obligations	\$ 33,809	35,438
Fair value of project assets	(19,812)	(16,064)
Net Definite Benefits Net Liabilities	<u>\$ 13,997</u>	<u>19,374</u>

The parent company only company's definite benefit plan is transferred to the special labor retirement reserve account of the Bank of Taiwan. The retirement payment of each employee which is subject to the Labor Standards Act is calculated based on the base number of years of service and the average salary of the six months before retirement.

(1) Project asset composition

The retirement fund allocated by the parent company only company in accordance with

the Labor Standards Act is coordinated and managed by Bureau of labor funds under Ministry of Labor (hereinafter referred to as the Labor Fund Bureau). The minimum income allocated shall not be lower than the income calculated based on the two-year fixed deposit interest rate of the local bank.

As of the end of the reporting period, the balance of the parent company only company's Labor Retirement Reserve Special Account in Bank of Taiwan was NT\$19,812,000. The information on the use of labor pension funds includes fund return rate and fund asset allocation. Please refer to the information published on the website of Bureau of labor funds under Ministry of Labor.

(2) Determination of changes in the present value of welfare obligations

The parent company only company's determination of the changes of the present value of welfare obligations in 2024 and 2023 are as follows:

	2024	2023
Confirmation of welfare obligations on January 1	\$ 35,438	\$ (35,493)
Current service cost and interest	449	(539)
Remeasurement of net defined benefit liabilities		
— Profit (loss) of project asset return	(999)	485
— Actuarial losses due to changes in financial assumptions	(522)	(140)
Project Benefits paid	(557)	249
Confirmation of welfare obligations on December 31	<u>\$ 33,809</u>	<u>\$ (35,438)</u>

(3) Changes in the fair value of project assets

The parent company only company's changes in the fair value of the assets of the determined benefit plan in 2024 and 2023 are as follows:

	2024	2023
Fair value of project assets on January 1	\$ 16,064	\$ 15,633
Interest income	186	189
Remeasurement of net defined benefit liabilities		
— Benefits of project asset remuneration (excluding current interest)	1,459	148
Amount allocated to the project	2,660	343
Project Benefits paid	(557)	(249)
Fair value of project assets on December 31	<u>\$ 19,812</u>	<u>\$ 16,064</u>

(4) Expenses recognized as profit and loss

List of recognized expenses in 2024 and 2023 is as follow:

	2024	2023
Current service cost	\$ 33	\$ 104
Net interest on net confirmed benefit liabilities	230	246
	<u>\$ 263</u>	<u>\$ 350</u>

	2024	2023
Management fees	<u>\$ 263</u>	<u>\$ 350</u>

(5) Re-measured amount of net confirmed benefit liabilities recognized as other comprehensive gains and losses

The parent company only company's accumulated re-measured amount of net defined benefit liabilities recognized in other comprehensive income is as follows:

	2024	2023
Accumulated balance on January 1	\$ (12,714)	\$ (12,221)
Recognized loss (profit) in the current period	(2,980)	(493)
Accumulated balance on December 31	<u><u>\$ (15,694)</u></u>	<u><u>\$ (12,714)</u></u>

(6) Actuarial assumption

The major actuarial assumptions used by the parent company only company to determine the present value of welfare obligations at the end of the financial report are as follows:

	2024.12.31	2023.12.31
Discount rate	1.60%	1.20%
Future salary increase	2.00%	2.00%

The parent company only company expects to pay NT\$406,000 to the definite benefit plan within one year after the reporting date in 2024.

The weighted average duration of the defined benefit plan is 7 years.

(7) Sensitivity analysis

When calculating and determining the present value of welfare obligations, the parent company only company must use judgments and estimates to determine relevant actuarial assumptions on the balance sheet, including discount rates, employee turnover rates, and future salary changes, etc. Any change in actuarial assumptions may materially affect the amount of the company's determined welfare obligations.

When adopting the main actuarial assumptions, the impact of changes in determining the present value of welfare obligations in 2024 and as of December 31, 2023 is as follows:

	Impact on determined welfare obligations	
	Increase 0.25%	Decrease 0.25%
December 31, 2024		
Discount rate	\$ (600)	619
Future salary increase	615	(599)
December 31, 2023		
Discount rate	\$ (693)	716
Future salary increase	709	(689)

The sensitivity analysis above is based on the analysis of the impact of a single assumption change while other assumptions remain unchanged. In practice, many changes in assumptions may be linked. The sensitivity analysis is consistent with the method used to calculate the net pension liabilities in the balance sheet.

The methods and assumptions used in preparing the sensitivity analysis in this period are the same as those in the previous period.

2. Determine the allocation plan

The parent company only company's defined allocation plan is based on the labor pension

regulations and is allocated to Bureau of labor insurance's labor pension individual account at a rate of 6% of the labor's monthly salary. Under this plan, after the parent company only company allocates a fixed amount to Bureau of labor insurance, there is no statutory or constructive obligation to pay additional amounts. The pension expenses under the method for determining the appropriation of pensions in 2024 and 2023 are NT\$2,552,000 and NT\$2,619,000 respectively, which have been allocated to Bureau of labor insurance.

(13) Income tax

1. Income tax expense

(1) The parent company only company's income tax expenses are as follows:

	2024	2023
Current income tax expense		
Occurred in the current period	\$ 36,301	\$ 32,861
Adjustment of current income tax for the previous period	-	3
	<u>36,301</u>	<u>32,864</u>
Deferred income tax expense		
The occurrence and reversal of temporary differences	4,132	9,497
Income tax expense	<u><u>\$ 40,433</u></u>	<u><u>\$ 42,361</u></u>

(2) The details of income tax (benefits) expenses recognized by the parent company only company under other comprehensive gains and losses are as follows:

The parent company only company's details of income tax (benefits) expenses recognized under other comprehensive gains and losses in 2024 and 2023 are as follows:

	2024	2023
Items not reclassified to profit or loss :		
The actuarial profit (loss) of the defined benefit welfare plan	<u><u>\$ 596</u></u>	<u><u>\$ 99</u></u>

(3) The reconciliation between the parent company only company's income tax expenses and pre-tax net profit is adjusted as follows:

	2024	2023
Net profit before tax	\$ 229,145	\$ 223,908
Income tax calculated based on the domestic tax rate of the parent company only company's location	45,829	44,782
Recognize the net investment interest using the equity method	3,277	(651)
Tax adjustment	(11,932)	(4,569)
Undistributed Earnings Levy	1,259	1,754
Changes in not recognized temporary differences	2,000	1,042
Differences between income tax assessment estimation	-	3
	<u><u>\$ 40,433</u></u>	<u><u>\$ 42,361</u></u>

2. Deferred income tax assets and liabilities

(1) Unrecognized deferred income tax liabilities

The items that the parent company only company's overseas investee companies have not recognized as deferred income tax liabilities are as follows:

	<u>2024.12.31</u>	<u>2023.12.31</u>
Accumulated unrealized profit share with overseas investee companies	<u>\$ 345,399</u>	<u>350,604</u>

(2) Unrecognized deferred income tax assets

The items that the parent company only company's overseas investee companies have not recognized as deferred income tax assets are as follows:

	<u>2024.12.31</u>	<u>2023.12.31</u>
Accumulated unrealized loss share with overseas investee companies	<u>\$ 197,459</u>	<u>196,042</u>

The temporary differences related to overseas investee companies are not recognized as deferred income tax assets and liabilities because the parent company only company can control the timing of the reversal of the temporary differences, and it is likely that they will not revert in the foreseeable future in 2024 and as of December 31, 2023.

(3) Recognized deferred tax assets and liabilities

The changes in the parent company only company's deferred income tax assets and liabilities are as follows:

	<u>Defined benefit plan</u>	<u>Other</u>	<u>Total</u>
Deferred income tax asset :			
Balance as of January 1, 2024	\$ 3,875	22,881	26,756
(Debit)/Credit Income Statement	(480)	(3,652)	(4,132)
(Debit)/Credit other comprehensive gain/loss	(596)	-	(596)
Balance as of December 31, 2024	<u>\$ 2,799</u>	<u>19,229</u>	<u>22,028</u>
Balance as of January 1, 2023	\$ 7,457	31,337	38,794
(Debit)/Credit Income Statement	(3,483)	(8,456)	(11,939)
(Debit)/Credit other comprehensive gain/loss	(99)	-	(99)
Balance as of December 31, 2023	<u>\$ 3,875</u>	<u>22,881</u>	<u>26,756</u>

	<u>Defined benefit plan</u>
Deferred income tax liability :	
Balance as of December 31, 2024	<u>\$ -</u>
Balance as of January 1, 2023	\$ 2,442
(Debit)/Credit Income Statemen	(2,442)
Balance as of December 31, 2023	<u>\$ -</u>

3. The income taxes of profitable businesses of the parent company only company have been approved by the Taxation Bureau, Ministry of Finance until year of 2022.

(13) Capital and other equity

1. Equity

The company's authorized total capital stock is \$3,500,000 thousands at par value of \$10 per share with total of 350,000 thousand shares. The aforesaid total authorized share capital is all common stock. The issued shares are 173,203 thousand shares and 173,203 thousand shares respectively in 2024 and 2023 and the payment for all issued shares has been received.

2. Capital reserve

The content of the company's capital reserve balance is as follows:

	2024.12.31	2023.12.31
Premium of issued stock	\$ 266,841	\$ 266,841
Convertible corporate bonds during the redemption period are classified as other items in capital reserve	88,350	88,350
Capital reserve arising from share-based payment transactions	30,753	30,753
Changes in affiliated companies recognized using the equity method	8,454	8,781
Other	803	610
	<u>\$ 395,201</u>	<u>\$ 395,335</u>

According to the Company Act, the capital reserve must be given priority to make up for the losses before it can be issued to new shares or cash in proportion to the shareholders' original shares based on the realized capital reserve. The "realized capital reserve" mentioned in the preceding paragraph includes the excess of the issuance of stocks in excess of the par value and the income received from donations. In accordance with "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", the total amount of the capital reserve that can be allocated for replenishment each year shall not exceed 10% of the paid-in capital.

3. Retained earning

According to the company's articles of association, if there is a surplus in the annual final accounts, the tax should be paid first and make up for the accumulated losses over the years, then 10% of legal reserve shall be set aside and the special reserve shall be set aside or converted according to the law or the competent authority. If there is still a surplus after, the balance shall be added to the undistributed reserve accumulated in the previous year and the board of directors shall draft a distribution proposal and submit it to the shareholders meeting for a resolution.

In accordance with the Company Act, the company authorizes the board of directors to have more than two-thirds of the directors present and the resolution of more than half of the directors present shall distribute dividends and bonuses or legal reserve stipulated in Article 241, Paragraph 1 of the Company Act and all or part of the paid-in capital. The above all shall be distributed in cash and reported to the board of directors.

Shareholder dividends and employee dividends are issued in two types: stock dividends and cash dividends, of which the ratio of cash dividends shall not be less than 10%.

The company's board of directors resolved to distribute cash dividends for 2023 earnings on March 14, 2024 and 2022 earnings on March 14, 2024. The dividends distributed to owners are as follows:

	2023		2022	
	Dividend rate	Amount	Dividend rate	Amount
Dividends distributed to owners of common stock :				
Cash	\$ 0.80	<u>138,563</u>	0.85	<u>147,223</u>

On March 13, 2025, the board of directors proposed a profit distribution proposal for 2024. The amount of dividends distributed to owners is as follows:

	2024	
	Dividend rate	Amount
Dividends distributed to owners of common stock :		
Cash	\$ 1.00	<u>173,203</u>

4. Other equity (net after tax)

	Difference arising from the exchange of net assets of foreign operating institutions	Unrealized gains and losses of financial assets measured at fair value through other comprehensive gains and losses	Other
Balance as of January 1, 2024	\$ (220,578)	302,587	82,009
difference arising from the exchange of net assets of foreign operating institutions	26,777	-	26,777
Share of transaction differences of equity-based associates	6,362	-	6,362
Unrealized gains and losses of financial assets measured at fair value through other comprehensive gains and losses	-	(68,640)	(68,640)
Disposal of Investments accounted for using equity method	26	-	26
Balance as of December 31, 2024	<u>\$ (187,413)</u>	<u>233,947</u>	<u>46,534</u>
Balance as of January 1, 2022	\$ (156,248)	196,518	40,270
difference arising from the exchange of net assets of foreign operating institutions	(64,330)	-	(64,330)
Unrealized gains and losses of financial assets measured at fair value through other comprehensive gains and losses	-	106,069	106,069
Balance as of December 31, 2022	<u>\$ (220,578)</u>	<u>302,587</u>	<u>82,009</u>

(14) Earnings per share

1. Basic earnings per share

The basic earnings per share of the parent company only company for 2024 and 2023 are calculated on the basis of the net profit attributable to common equity holders of the

company and the weighted average number of outstanding shares of common stocks. The relevant calculations are as follows:

(1) Net profit attributable to holders of the company's common stocks

	2024	2023
Net profit attributable to holders of the company's common stock	<u>\$ 188,712</u>	<u>181,547</u>

(2) The weighted average number of common shares outstanding

	2024	2023
The weighted average number of common shares outstanding on December 31	<u>173,203</u>	<u>173,203</u>

	2024	2023
(3) Basic earnings per share (NT \$)	<u>\$ 1.09</u>	<u>1.05</u>

2. Diluted earnings per share

The diluted earnings per share for 2024 and 2023 are calculated on the basis of the net profit attributable to common equity holders of the company and the weighted average number of common stocks outstanding after adjusting the dilution effect of all potential common stocks. The relevant calculations are as follow:

(1) Net profit attributable to the company's common stock holders (diluted)

	2024	2023
Net profit attributable to holders of the company's common stocks (Basically diluted)	<u>\$ 188,712</u>	<u>181,547</u>

(2) Weighted average number of shares outstanding (diluted) of common stocks (thousand shares)

	2024	2023
Weighted average number of shares outstanding (basic)	173,203	173,203
The impact of employee stock dividends	889	1,379
The weighted average number of common stocks outstanding on December 31 (diluted)	<u>174,092</u>	<u>174,582</u>

(3) Diluted earnings per share (NT\$)

	2024	2023
Diluted earnings per share	<u>\$ 1.08</u>	<u>1.04</u>

(15) Revenue from customer contracts

1. Revenue breakdown

Major regional markets :

	2024	2023
China and HK	\$ 292,231	\$ 216,709
Taiwan	141,066	188,176
United States	216,372	231,520
Korea	169,998	159,038

Other	77,433	80,174
Total	<u>\$ 897,100</u>	<u>875,617</u>
Main product/service line :	2024	2023
LED components and product manufacturing and sales	\$ 841,774	\$ 774,748
Construction	52,192	85,815
Other	3,134	15,054
Total	<u>\$ 897,100</u>	<u>875,617</u>

2. Contract balance

	2024.12.31	2023.12.31	2023.1.1
Note receivables	\$ 6,816	11,640	13,189
Accounts receivables(Including related party)	317,360	348,984	325,299
Non-accrual Loans	260,186	286,519	311,510
Deduct : Allowance for losses	(261,442)	(287,222)	(312,525)
TOTAL	<u>\$ 322,920</u>	<u>359,921</u>	<u>337,473</u>
Contract Assets - Projects	<u>\$ 268,163</u>	<u>314,009</u>	<u>307,805</u>
Contract liabilities - Projects (Note)	<u>\$ 21,561</u>	-	-

Note: The project simultaneously provided a fixed deposit certificate guarantee of NT\$ 41,550,000, which was recorded under "Other Financial Assets - Current". For disclosure of accounts receivable and impairments, please refer to Note 6 (3) for details.

Changes in contract assets and contract liabilities are mainly due to the difference between the time when the company transfers goods or services to customers to satisfy its performance obligations and the time when customers make payment.

(16) Remuneration of employees, directors and supervisors

According to the company's articles of association, the current year's pre-tax benefits shall be used to deduct the benefits before the distribution of employee compensation and directors' remuneration. After retaining the amount of accumulated losses, if there is a balance, the employee's remuneration shall not be less than 8% and the director and supervisors' remuneration shall not be more than 2%. The aforementioned employee remuneration which may be issued by stock or cash includes employees from affiliated companies who meet certain conditions.

The company's remuneration for employees in 2024 and 2023 is NT\$20,368,000 and NT\$19,903,000 respectively and the remuneration for directors is NT\$5,092,000 and NT\$4,976,000, which are based on the company's pre-tax net profit for each period. The amount before deduction of employees, directors and supervisors' remuneration multiplied by the number of employees' remuneration and directors' and supervisors' remuneration as stipulated in the company's articles of association is the basis for estimation, and is reported as operating costs or operating expenses for 2024 and 2023. If difference between the actual

distribution amount in the next year and the estimated amount occurs, such occurrence will be dealt with accordance to the change in accounting estimates and the difference will be recognized as the profit and loss of the next year.

(17) Non-operating income and expenses

1. Interest income

The detail of the parent company only company's interest income is as follow:

	2024	2023
Interest from bank deposits	<u>\$ 5,291</u>	<u>4,929</u>

2. Other income

The detail of the company's other income for 2024 and 2023 are as follows:

	2024	2023
Rental income	\$ 114	\$ 114
Dividend income	59,388	26,052
Other	24,547	31,049
	<u>\$ 84,049</u>	<u>57,215</u>

3. Other gains and losses

The detail of the parent company only company's other gains and losses for 2024 and 2023 are as follows:

	2024	2023
Net foreign currency exchange gains	\$ 12,931	\$ 50,063
Net interests in financial assets measured at fair value through profit or loss	2,407	1,943
Disposal of investment using the equity method	2,525	-
	<u>\$ 17,863</u>	<u>52,006</u>

(18) Financial instruments

1. Credit risk

(1) Exposure of credit risk

The book value of financial assets and contract assets represents the maximum amount of credit risk.

(2) Concentration of credit risk

Since the company has a broad customer base and does not significantly concentrate on transactions with a single customer and the sales area is scattered, there is no significant concentration of the credit risk of accounts receivable. In order to reduce credit risk, the company also regularly and continuously evaluates the financial situation of customers, but usually does not require customers to provide collateral.

(3) Credit risk of accounts receivable

Please refer to Note 6 (3) for the credit risk exposure information of notes and accounts receivable.

Other financial assets measured at amortized cost include other receivables and certificates of deposit, etc. Please refer to Note 6 (8) for details of the impairment provision status on December 31, 2024 and 2023.

All the financial assets listed above are with low credit risk. Therefore, the amount of expected credit losses in twelve months is used to measure the allowance for loss during the period (for the explanation of how the company determines that the credit risk is low, please refer to Note 4 (6)).

2. Liquidity risk

The following table shows the contractual maturity dates of financial liabilities, excluding the effect of estimated interest.

	Book value	Contractual cash flow	within 1 yr	1-2yr	above 2yrs
December 31,2023					
Non-derivative financial liabilities					
Notes and Accounts Payable(Including related parties)	\$ 1,755,329	1,755,329	1,755,329	-	-
Other payable	56,607	56,607	56,607	-	-
Lease liabilities (including non-current)	4,313	4,428	1,788	1,320	1,320
Deposits received	1,581	1,581	70	-	1,511
	\$ 1,817,830	1,817,945	1,813,794	1,320	2,831
December 31,2022					
Non-derivative financial liabilities					
Notes and Accounts Payable(Including related parties)	\$ 1,774,244	1,774,244	1,774,244	-	-
Other payable	52,091	52,091	52,091	-	-
Lease liabilities (including non-current)	6,463	6,684	2,256	1,788	2,640
Deposits received	1,511	1,511	-	-	1,511
	\$ 1,834,309	1,834,530	1,828,591	1,788	4,151

The company does not expect the cash flow analysis on the due date to occur significantly earlier, or the actual amount will be significantly different.

3. Exchange rate risk

(1) Exposure to exchange rate risk

The company's financial assets and liabilities exposed to significant foreign currency exchange rate risks are as follows:

	2024.12.31			2023.12.31				
	Foreign	Exange		Foreign	Exchange			
	currency	rate	NTD	currency	rate	NTD		
<u>Financial assets</u>								
<u>Monetary item</u>								
RMB	\$	39	4.478	175	\$	39	4.327	169
USD		9,490	32.785	311,133		11,240	30.705	345,138
HKD		4,939	4.222	20,851		3,550	3.929	13,947

Financial liabilities

Monetary item

RMB	98,939	4.478	443,049	133,762	4.327	578,788
USD	404	32.785	13,239	1,065	30.705	32,697
HKD	65,243	4.222	275,455	183,035	3.929	719,143

(2) Sensitivity analysis

The parent company only company's exchange rate risk mainly comes from cash denominated in foreign currencies, cash equivalents and accounts receivable, etc., resulting in foreign currency exchange gains and losses during conversion. In 2024 and 2023, when the NTD depreciates 5% against the USD, RMB and HKD, under all other factors remain unchanged, the net profit before tax for 2024 and 2023 decreased by NT\$19,979,000 and NT\$48,569,000 respectively.

(3) Exchange gains and losses of monetary items

Due to the wide variety of functional currencies that the parent company only company uses, the exchange gain and loss information of monetary items is disclosed in summary. The foreign currency exchange gains and losses (including realized and unrealized) in 2024 and 2023 were NT\$12,931,000 and NT\$50,063,000 respectively.

4. Interest rate analysis

The details of the parent company only company's financial assets and financial liabilities interest rate risk exposure are as follows:

	Book value	
	2024.12.31	2023.12.31
Fixed interest rate instruments :		
Financial assets	\$ 173,390	111,850
Variable interest rate instruments :		
Financial assets	\$ 244,895	91,298

The parent company only company's financial assets and financial liabilities interest rate risk exposure are described in the liquidity risk management of this note.

The following sensitivity analysis is determined based on the interest rate risk of non-derivative instruments on the reporting date. For floating rate liabilities, the analysis method is based on the assumption that the amount of liabilities outstanding on the reporting date will be circulated throughout the year. The rate of change used by the company when reporting interest rates internally to management is an increase or decrease of 1% in interest rates, which also represents management's assessment of the reasonably possible range of changes in interest rates.

If the interest rate increases or decreases by 1% and all other variables remain unchanged, the company's net profit before tax for 2024 and 2023 increases or decreases NT\$2,449 thousands and NT\$913 thousands respectively. The main reason is this parent company only company's demand deposits and long-term loans with variable interest rates.

5. Other price risk

If the price of equity securities changes on the reporting date (the two-period analysis adopts the same basis and assumes that other changing factors remain unchanged), the impact on the comprehensive profit and loss items is as follows:

Stock price on reporting day	2024		2023	
	Other comprehensive profit and loss	After-tax profit and loss	Other comprehensive profit and loss	After-tax profit and loss

	after-tax amount		after-tax amount	
Increase 5%	<u>\$ 13,647</u>	-	<u>\$ 15,073</u>	-
Decrease 5%	<u>\$ (13,647)</u>	-	<u>\$ (15,073)</u>	-

6. Fair value information

(1) Types and fair value of financial instruments

The parent company only company's financial assets and liabilities measured at fair value through profit and loss, financial assets and liabilities for hedging, and financial assets measured at fair value through other comprehensive gains and losses are measured at fair value on the basis of repeatability. For the book value of financial instruments that are not measured by fair value is a reasonable approximation of fair value and lease liabilities, there is no need to disclose fair value information according to regulations) are listed as follows:

2024.12.31					
	Fair value				
	Book value	Level 1	Level 2	Level 3	Total
Financial assets					
measured at fair value					
through profit or loss					
Money Market funds	\$ 202,574	-	202,574	-	202,574
Financial assets					
measured at fair value					
through other					
comprehensive gains					
and losses					
Domestic and foreign listed (counter) stocks	273,842	273,842	-	-	273,842
Domestic and foreign unlisted (counter) stocks	530,376	-	-	530,376	530,376
Total	\$ 804,218	273,842	-	530,376	804,218
Financial assets					
measured at amortized cost					
Cash and case equivalent	\$ 291,413	-	-	-	-
Notes and accounts receivable (Including related parties)	322,920	-	-	-	-
Other receivables (related party)	14,000				
Other financial assets- current	93,106	-	-	-	-
Refundable deposits	1,383	-	-	-	-

Total	\$ 722,822	-	-	-	-
Financial liabilities					
measured at					
amortized cost					
Notes and accounts payable (Including related parties)	\$ 1,755,329	-	-	-	-
Other payables	56,607	-	-	-	-
Lease liabilities (including non-current)	4,313	-	-	-	-
Deposit received	1,581				
Total	<u>\$ 1,817,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	2023.12.31				
	Fair value				
	Book value	Level 1	Level 2	Level 3	Total
Financial assets					
measured at fair value					
through profit or loss					
Money Market funds	<u>\$ 201,943</u>	<u>-</u>	<u>201,943</u>	<u>-</u>	<u>201,943</u>
Financial assets					
measured at fair value					
through other					
comprehensive gains					
and losses					
Domestic and foreign listed (counter) stocks	\$ 302,207	302,207	-	-	302,207
Domestic and foreign unlisted (counter) stocks	604,879	-	-	604,879	604,879
Total	<u>\$ 907,086</u>	<u>302,207</u>	<u>-</u>	<u>604,879</u>	<u>907,086</u>
Financial assets					
measured at amortized cost					
Cash and case equivalent	\$ 128,572	-	-	-	-
Notes and accounts receivable (Including related parties)	359,921	-	-	-	-

Other receivables (related party)	36,000				
Other financial assets- current	23,497	-	-	-	-
Refundable deposits	5,298	-	-	-	-
Total	<u>\$ 553,288</u>	-	-	-	-
Financial liabilities measured at amortized cost					
Notes and accounts payable (Including related parties)	\$ 1,774,244	-	-	-	-
Other payables	52,091	-	-	-	-
Lease liabilities (including non-current)	6,463	-	-	-	-
Total	<u>\$ 1,832,798</u>	-	-	-	-

(2) Fair value evaluation technique for measuring financial instruments by fair value

If a financial instrument has a public quotation in the active market, the public quotation in the active market shall be the fair value. The market prices announced by major exchanges and central government bond over-the-counter trading centers judged to be popular bonds are the basis for the fair value of listed (counter) equity instruments and debt instruments with publicly quoted prices on the active market.

If public quotations of financial instruments can be obtained from exchanges, brokers, underwriters, industry associations, pricing service agencies or competent authorities in a timely and frequent manner and the prices represent actual and frequent fair market transactions, then the financial instruments have an active market public quotation. If the above conditions are not met, the market is deemed inactive. In general, large bid-ask spreads, significant increase in bid-ask spreads, or very little trading volume are indicators of inactive markets.

If the financial instruments held by the parent company only company have an active market, their fair values are listed as follows according to their categories and attributes: When financial assets and liabilities measured at fair value through profit and loss are quoted in an active market, the market price is the fair value. Except for the above-mentioned financial instruments within active markets, the fair values of other financial instruments are obtained through evaluation techniques or with reference to the quotations from counterparties. The fair value obtained through evaluation technique can refer to the current fair value of other financial instruments with similar substantive conditions and characteristics, discounted cash flow method, or other evaluation techniques, including the use of market information available on the date of the parent company only balance sheet calculated.

If the financial instruments held by the parent company only company have an inactive market, their fair values are listed as follows according to their categories and attributes:

Equity instruments without public quotation: If there is no market for reference, the evaluation method is used to estimate. The estimates and assumptions used are consistent with the information used by market participants as estimates and assumptions when pricing financial products. The information is available to the parent company only company.

The interest rate of bank borrowing is mostly close to the market interest rate, so the borrowing amount is taken as the fair value. Please refer to Note 6 (9) for the interest rate.

(3) Transfer between level 1 and level 2

No such transfer in 2023 and 2022.

(4) List of changes in level 3

	Measured at fair value through other comprehensive gains and losses
	Equity instruments without public quotation
January 1, 2024	\$ 604,879
Total profit or loss	
Recognized in other comprehensive income	(40,275)
Return from capital reduction	(34,228)
December 31, 2024	<u>\$ 530,376</u>
January 1, 2023	\$ 422,366
Total profit or loss	
Recognized in other comprehensive income	29,975
Purchase	200,000
Return from capital reduction	(47,462)
December 31, 2023	<u>\$ 604,879</u>

The above-mentioned total profit or loss is reported in the series of "unrealized appraised profit (loss) of financial assets measured at fair value through other comprehensive gains and losses".

Among them, those related to assets still held as of December 31, 2024 and 2023 are as follows:

	2024	2023
Total profit or loss		
Recognized in other comprehensive income		
(Listed in "Unrealized Appraisal Profits		
and Losses of Financial Assets Measured at Fair		
Value through Other Comprehensive income")	<u>\$ (40,275)</u>	<u>29,975</u>

(5) Quantitative information on the fair value measurement of significant unobservable inputs (level 3)

The parent company only company's fair value measurement is classified as the third level mainly for financial assets measured at fair value through other comprehensive gains and losses-equity instrument investment without an active market. Most of the company's fair value is classified as the third level with only a single significant unobservable input and only equity instrument investments without an active

market have multiple significant unobservable inputs. The significant unobservable input values of equity instrument investment without an active market are independent to each other, so there is no interrelationship.

The quantitative information list of significant unobservable input values is as follows:

Item	Evaluation technique	Significant unobservable input value	Significant unobservable input value and fair value relationship
Financial assets measured at fair value through other comprehensive gains and losses-equity instrument investment without an active market	Net asset value method	• Net asset value • Discount for Lack of Marketability	• The higher the net asset value, the higher the fair value • The higher the discount due to lack of market liquidity, the lower the fair value.

(19) Financial risk management

1. Summary

The parent company only company is exposed to the following risks due to the use of financial instruments

(1) Credit risk

(2) Liquidity risk

(3) Market risk

This note expresses the parent company only company's risk information on the above-mentioned risks, the parent company only company's objectives, policies and procedures for measuring and managing risks. For further quantitative disclosure, please refer to the respective notes of the individual financial report.

2. Risk management structure

The parent company only company's financial division provides services for each business, analyzes the internal risk report of risk insurance according to the degree and breadth of risk, supervises and manages the financial risks related to the company's operations.

The parent company only company establishes appropriate internal policies and systems to control credit risk and liquidity risk. As for market risks, we collect information from various parties, hoping to accurately predict the future trends of exchange rates, interest rates, etc., and use financial instruments to avoid risky risks when necessary to reduce the impact of these risks. The use of financial instruments is regulated by the parent company only company's relevant policies, and internal auditors continue to review compliance with policies and risk limits. The parent company only company does not trade financial instruments for speculative purposes.

3. Credit risk

Credit risk is the risk of the parent company only company's financial loss due to the inability of its customers or financial instrument counterparties to fulfill contractual obligations. It mainly comes from the company's accounts receivable from customers and securities investments.

(1) Accounts receivable and other receivables

The parent company only company's accounts receivable covers many customers,

scattered in different industries and geographic regions, and there is no significant concentration of transactions with a single customer and the sales area is scattered, so the credit risk of accounts receivable is not likely to be significantly concentrated. The company has established a credit policy. According to this policy, before standard payment and shipping conditions are given, it is necessary to analyze the credit rating of each new customer individually before the transaction begins.

(2) Investment

The credit risk of bank deposits, fixed income investments and other financial instruments is measured and monitored by the parent company only company's financial division. Since the transaction partner and the performing party are all creditworthy banks and financial institutions, corporate organizations and government agencies with investment level and above, there is no significant credit risk.

4. Liquidity risk

Liquidity risk refers to the risk that the parent company only company cannot deliver cash or other financial assets to pay off financial liabilities and fail to perform related obligations. The parent company only company manages and maintains sufficient cash and cash equivalents to support the company's operations and reduce the impact of cash flow fluctuations. The management of the parent company only company supervises the use of bank financing lines and ensures compliance with the terms of the loan contract.

5. Market risk

Market risk refers to the risk that changes in market prices, such as exchange rates, interest rates, and equity instrument prices, affect the parent company only company's earnings or the value of financial instruments held. The goal of market risk management is to control the risk of market risk within an acceptable range and minimize the risk.

(1) Exchange rate risk

The parent company only company is exposed to sales and purchase transactions that are not denominated in functional currencies, which causes the parent company only company to generate exchange rate fluctuation risks. The parent company only company's functional currency is mainly NTD. The main denomination currencies for these transactions are USD, RMB and HKD.

(2) Other market price risk

The parent company only company incurs equity price risk insurance due to equity securities and open fund investments in listed counters.

(20) Capital management

The parent company only company plans its capital management based on the characteristics of the current industry and the future development of the company, taking changes in the external environment and other factors into account, to ensure that the company has the necessary financial resources and operating plans to support the future working capital and capital expenditures, research and development expenses, debt repayment and dividend expenses, etc. The management authority uses an appropriate total debt/equity ratio to determine the company's optimal capital structure. In order to maintain a sound capital base, the company optimizes the balance of debt and equity so to increase shareholder compensation. The parent company only company's debt-to-equity ratio at the reporting date is as follows:

	2024.12.31	2023.12.31
Total liabilities	\$ 1,912,572	\$ 1,931,024
Total equity	2,963,214	2,946,290
Debt-to-equity ratio	65%	66%

As of December 31, 2024 and 2023, the parent company only company's capital management method has not changed significantly.

7. Related party transactions

(1) Name and relationship of related parties

The related parties involved in transactions with the parent company only company during the period covered in this parent company only financial report are as follows:

<u>Name of related parties</u>	<u>Relationship with the company</u>
AB Corp.	Affiliated company of the parent company only company
WanHui Enterprise (HK).	Subsidiary
Kobrite Taiwan	Subsidiary

(2) Major transactions with related parties

1. Operating income

The parent company only company's major sales amounts to related parties are as follows:

	<u>2024</u>	<u>2023</u>
Affiliated company — AB Corp	<u>\$ 209,735</u>	<u>224,387</u>

The parent company only company's sales price to the above-mentioned related parties is based on the company's various product price lists, and the payment to the above-mentioned related parties is collected within 126 days after the month end.

2. Purchase

The parent company only company's purchase amount from related parties is as follows:

	<u>2024</u>	<u>2023</u>
Subsidiaries:		
WanHui Enterprise (HK)	\$ 484,197	\$ 509,834
Kobrite (Taiwan)	269	559
Affiliated company — AB Corp	69,953	54,166
	<u>\$ 70,222</u>	<u>\$ 54,725</u>

The company's purchase conditions to the above-mentioned related parties are adjusted according to the capital needs, and the price is no different from that of general manufacturers.

3. Amounts due from related parties

The details of the company's accounts receivable from related parties are as follows:

<u>Account item</u>	<u>Type of related parties</u>	<u>2024.12.31</u>	<u>2023.12.31</u>
Accounts receivable-related party	Affiliated company — AB Corp	<u>\$ 54,216</u>	<u>103,340</u>

4. Amounts due to related parties

The details of the company's accounts payable to related parties are as follows:

<u>Account item</u>	<u>Type of related parties</u>	<u>2024.12.31</u>	<u>2023.12.31</u>
Accounts payable- related party	Subsidiary — WanHui Enterprise (HK)	\$ 1,720,668	\$ 1,737,875
Accounts payable- related party	Subsidiary — Kobrite (Taiwan)	2,972	3,301
Accounts payable- related party	Affiliated company — AB Corp	11,652	20,678
		<u>\$ 1,735,292</u>	<u>1,761,854</u>

5. Loans to related parties

The details of the company's capital loans to related parties are as follows:

Type of related parties	2024.12.31	2023.12.31
Subsidiary – Kobrite (Taiwan)	\$ 14,000	36,000

The Company's capital loans to related parties charged interests based on the average interest rate of the Company's short-term loans from financial institutions in the year of disbursement, and all loans are unsecured. Therefore, after evaluation, no impairment loss is required.

6. Others

The Company signed a commodity processing contract with Kobrite (Taiwan) in 2023. According to the provisions of the contract, the price is calculated at a fixed amount. The amounts incurred in 2024 and 2023 are NT\$30,136,000 and NT\$27,474,000 respectively. As of December 31, 2024, the relevant prepayments are NT\$11,000,000.

(3) Key management personnel transactions

Remuneration of key management personnel

	2024	2023
Short-term employee benefits	\$ 10,156	\$ 10,135
Post-employment benefits	91	91
	\$ 10,247	10,226

8. Pledged assets

Asset name	Subject to pledge	2024.12.31	2023.12.31
Other financial assets- current(pledged fixed deposit)	Contract bond and warranty deposit	\$ 127,162	\$ 70,119
Refundable deposits	Project deposit, performance bond and lease guarantee	1,383	5,298
Total		\$ 128,545	75,417

9. Significant contingent liabilities and unrecognized contractual commitments: N/A

10. Loss from major disaster: N/A

11. Significant post-period matters: N/A

12. Other

(1) The functions of employee benefits, depreciation and amortization expenses are summarized as follows:

Function Category	2024			2023		
	Attributable to operating costs	Attributable to operating expenses	Total	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefit Salary expense	926	77,592	78,518	-	79,075	79,075

Labor and health insurance expense	123	5,941	6,064	-	6,205	6,205
Pension expense	56	2,759	2,815	-	2,969	2,969
Directors' remuneration	-	2,726	2,726	-	2,668	2,668
Other employee benefits	67	2,693	2,760	-	2,682	2,682
Depreciation expense	2,221	2,559	4,780	1,895	2,606	4,501

	2024	2023
Number of Employees	<u>78</u>	<u>74</u>
Number of directors who are not concurrently employees	<u>6</u>	<u>6</u>
Average of employee benefit expense	<u>\$ 1,252</u>	<u>\$ 1,337</u>
Average of employee salary expenses	<u>\$ 1,091</u>	<u>\$ 1,163</u>
Adjustment of averaged employee salary expenses	<u>(6.19)%</u>	<u>11.83%</u>
Supervisor's remuneration	<u>\$ 1,980</u>	<u>\$ 1,980</u>

The company's remuneration policy (including directors, independent directors, managers and employees) information is as follows:

In order to implement corporate governance and to make directors, independent directors and managers remuneration transparent, rationalized and institutionalized, the company has formulated the "Remuneration Payment Method for Directors, Independent Directors and Managers" method. Such method could only be implemented after deliberation by the Remuneration Committee and the resolution of the Board of Directors. The main specifications are as follows:

1. The remuneration of directors and independent directors includes fixed traveling expenses and variable remuneration for directors and supervisors. Independent directors only receive traveling expenses and do not participate in the distribution of remuneration for directors.
2. The remuneration of managers includes fixed salary and variable salary. Restrictions are set on the annual increase rate of fixed salary and the proportion of variable salary payment to managers of each rank in the pre-tax profit of the current year. Special contributions exceeding the limit must be reviewed by the Remuneration Committee and reported to the Board of Directors for approval.
3. The remuneration committee regularly reviews the rationality of the remuneration of directors, independent directors and managers and the appropriateness of the overall salary ratio of managers.

(2) The coronavirus pneumonia epidemic has not had a significant impact on the production and sales of the company and its subsidiaries, and the company will continue to pay attention to the development of the incident and related impacts.

13. Disclosure of Matters in Notes

(1) Information with regard to major transactions

In 2024, in accordance with the requirements of the securities issuer's financial report preparation standards, the relevant information about major transactions that should be disclosed again by the company is as follows:

1. Loans to others

Unit: NTD thousand

#	Companies that lend loans	Prospective borrowers	Accounting subjects	The highest amount of the current period	Ending balance	Actual lending amount	Interest rate range	Loan by nature (note 1)	Transaction amount with regard to business	Reasons for short-term financing	Allowance for loss amount	Collateral		Limited amount of loans for each entity (Note 2)	Limited amount of total loans (Note 3)
												Name	Value		
1	Bright LED electronics	KoBrite Taiwan	Other receivables	80,000	40,000	14,000	2%	2	-	Operational turnover	-	N/A	-	296,321	1,185,286
2	DongGuan BRTLED	Henan Bright Crystal	Other receivables	24,629 (RMB5,500)	-	-	2%	2	-	Operational turnover	-	N/A	-	159,895	639,580

Note 1: 1 means have business contacts. 2 means has the need for short-term financing.

Note 2: The limit for total amount of lending loans does not exceed 10% of the net worth of the enterprise. Foreign companies in which the company directly or indirectly holds 100% of the voting shares are not subject to the 10% limit on loans to the company's net worth, but the respective limits for capital loans should still not exceed 100% of the company's net worth.

Note 3: The limit for total amount of capital loans shall not exceed 40% of the net worth of the enterprise. Foreign companies in which the company directly or indirectly holds 100% of the voting shares are not subject to the 40% limit on total amount of loans to the company's net worth, but the respective limits for capital loans should still not exceed 100% of the company's net worth.

Note 4: The above transactions have been reversed in the preparation of the parent company only report.

Note 5: It is converted to NTD at the RMB exchange rate of 4.478 at the end of the period.

2. Endorsement for others: N/A

3. The situation of holding marketable securities at the end of the period (excluding investment in subsidiaries, affiliates and joint ventures): Unit: thousand shares

Holding Company	Types and names of securities	Relationship with the securities issuer	Accounting items	End of term				Note
				Unit/share	Book value	Holding ratio	Fair value	
The company	Hua Nan Phoenix Money Market Fund	N/A	Financial assets measured at fair value through profit or loss – Current	3,019	51,201	-%	51,201	
"	Taishin 1699 Money Market Fund	"	"	3,622	51,249	-%	51,249	
"	Jih Sun Money Market Fund	"	"	2,587	40,029	-%	40,029	
"	Fubon Chi-Hsiang Money Market Fund	"	"	1,838	30,023	-%	30,023	
"	Taiwan Money Market Fund			1,883	30,072	-%	30,072	
					<u>202,574</u>			
The company	Powertip	Corporate director	Financial assets measured at fair value through other comprehensive gains and losses-non-current	19,020	272,939	12%	Price per share market = 14.35	
"	Assurant, Inc. 5.25% Subordinate (AIZN)	"	"	0.5	329	-%	Price per share market = USD	

"	Qwest Corp (CTBB)	"	"	0.2	115	-%	20.07 Price per share market = USD
	AT&T Inc. 5.35% GLB NTS 66 (TBB)	"	"	0.1	80	-%	17.50 Price per share market = USD
	United States Cellular Corporation (UZD)	"	"	0.5	379	-%	24.41 Price per share market = USD
The company	WK 9	Corporate director	Financial assets measured at fair value through other comprehensive gains and losses-non-current	11,996	274,302	15%	23.12 274,302
"	WK 9 phase II	"	"	20,000	184,948	18%	184,948
"	Foxfortune Technology Ventures Ltd.	"	"	1,248	45,078	12%	45,078
	New fund capital	"	"	8,900	83,648	16%	83,648
					<u>804,218</u>		

4. The cumulative amount of buying or selling the same securities reaches NTD\$300 million or more than 20% of the paid-in capital: N/A
5. Acquired real estate with an amount of NTD\$300 million or more than 20% of the paid-in capital: N/A
6. Disposal of real estate with an amount of NTD\$300 million or more than 20% of the paid-in capital: N/A
7. The amount of purchases and sales with related parties reaches NTD\$100 million or more than 20% of the paid-in capital:

Import (sell) company	Trading partner Name	Relations	Transaction				Circumstances and reasons for trading condition which are different from regular trading		Notes and accounts receivable (paid)		Note
			Import (sell)	Amount	% of total import (sales)	Credit period	Price	Credit period	Balance	% of total notes and accounts receivable (paid)	
The company	AB Corp.	Affiliated company	(Sell)	(209,735)	(23) %	Net 126 days	-	-	54,216	17%	
The company	WanHui (HK)	Subsidiary	Import	484,197	84 %	Adjust according to its funding needs	-	-	(1,720,668)	(98)%	
WanHui (HK)	DongGuan BRTLED	Subsidiary	Import	580,564	87 %	Net 90 days	-	-	(433,027)	(95)%	

8. Receivables from related parties amount to NT\$100 million or more than 20% of the paid-in capital:

Company with account receivables	Trading partner Name	Relations	Balance of accounts receivable from related parties	Turnover	Overdue amounts from related parties		Amounts receivable from related parties recovered after the period	allowance for loss amount	Note
					Amount	Processing			
WanHui (HK)	The company	Parent and subsidiary company	1,720,668	0.28	Note 1	Note 1	5,229	-	

Note 1: The difference between receivables and payables shall be collected based on fund requirements.

9. Engage in derivatives trading: N/A

(2) Re-investment business related information

The parent company only company's reinvestment business information for 2023 is as follows (excluding investee companies in China):

Investor	Investee		Main business	Original investment amount		Hold at the end of period			Investee	Recognized in this period	
Name	Name	Region	Items	Original investment amount							
				End of period	End of last year	Shares (thousand)	Ratio	Book value	Current income	Investment (Profit) Loss	Note
The company	WanHui (HK)	HK	Processing business of LED indicators, displays and related components	524,673	524,673	11,460	100%	2,224,262	(50,491)	(50,491)	Subsidiary (Note)
"	KoBrite Corp.	Mauritius	Investment holding	1,082,499	1,082,499	8,783,545	93%	173,349	(16,196)	(15,004)	"
"	LiSheng Int'l	HK	PCB processing	109,071	109,071	28,592	60%	72,842	5,349	3,186	"
"	AB Corp.	US	Dealer	16,479	1,702	151	46%	43,887	6,380	2,911	adopting the equity method
"	WanShui	HK	Investment holding	61,910	61,910	2,993	23%	19,995	2,311	533	"
"	Powertip image	TW	Optical lens, lens design and production	64,593	64,966	7,627	19%	177,769	228,672	42,478	"
KoBrite	KoBrite Taiwan	TW	Investment holding	500,000	500,000	50,000	100%	23,237	(5,211)	recognized by KoBrite for investment gains and losses	Subsidiary
KoBrite	Bright Crystal (HK)	HK	Investment holding	404,342	404,342	100,994	80%	134,234	(21,382)	"	Subsidiary

(3) Information with regard to investment in China

1. Relevant information about reinvestment in China:

Name of invested company in China	Main business Items	Paid-in capital	Investment method	Cumulative remittances from Taiwan at the beginning of the period Amount (Note 1)	Exported or recovered in this period Investment amount		Cumulative remittances from Taiwan at the end of the period Amount (Note 1)	Current profit (loss) of the investee company	Direct or indirect investment Holding ratio	Recognized investment profit (loss) in this period (Note 3)	End of period investment Book value	Investment repatriated as of the current period Income (Note 1)
					Export (Note 1)	Amount (Note 1)						
DongGuan BRTLED	Manufacture and sell of LED component and its related products	HKD340,222	Indirect investment through WanHui (HK) (Note 4)	-	-	-	-	85,237	100%	85,237	1,598,949	-
DongGuan KoBrite	Production and	US\$14,590	Indirect	149,121	-	-	149,121	6,341	93%	5,874	27,889	-

	processing of LED chips		investment through KoBrite Corp.	(US\$4,974)			(US\$4,974)					
DongGuan Yi-Run	production and sale of other steel products	RMB\$41,001	Indirect investment through WanHui (HK)	58,813 (HKD\$15,280)	-	-	58,813 (HKD\$15,280)	2,311	23%	533	19,995	22,951 (HKD5,436)
DongGuan LiSheng PCB	PCB processing	HKD\$10,000	Indirect investment through LiSheng Int'l (Note 4)	3,279 (HKD\$852)	-	-	3,279 (HKD\$852)	7,623	60%	4,541	68,395	-
Henan Bright Crystal	Production and sales of high-quality crystals and LED lighting products, as well as import and export business	US\$16,200	Indirect investment through Bright Crystal (HK) (Note 4)	403,981 (US\$13,475)	-	-	403,981 (US\$13,475)	(21,373)	74%	(15,826)	124,788	-

2. Limits for reinvestment in China:

Cumulative investment amount remitted from Taiwan to China at the end of the period	Approved investment amount by the Overseas Chinese and Foreign Investment Commission (Note 1)	According to the regulations of the Overseas Chinese and Foreign Investment Commission Investment quota in China
615,194 (US\$18,449 and HKD16,132)	2,317,700 (USD19,402 及 HKD398,296)	Note 2

Note 1: It is converted into NTD at the end of the period using the USD exchange rate of 32.785, HKD exchange rate of 4.222.

Note 2: The Company has been approved by Bureau of Industry of the Ministry of Economic Affairs to comply with the operating headquarters certification letter, so there is no limit on the amount of investment in China.

Note 3: The investment gains and losses of the current period are calculated based on the financial statements of the investee company verified by accountants.

Note 4: Existing reinvestment companies in the third region use their own funds and machinery and equipment for investment.

3. Major transactions:

For the direct or indirect major transactions of the company's Chinese investee companies in 2024, please refer to the "Major Transactions Related Information" for details.

(4) Major shareholder information

Unit: shares

Shares		
Name of major shareholders	Number of shares held	Holding ratio
Yi-Run investment company	31,859,212	18.39%
WanHui investment company	27,378,397	15.80%
Tseng-Jen Liaw	21,062,417	12.16%

Note: (1) The information of major shareholders in this table is based on the last business day at the end of each quarter by the company. The total number of common shares and special

shares, which sum up to 5% or more, of the company that have been delivered without physical registration (including treasury shares) is calculated by the company. As for the share capital recorded in the company's financial report and the company's actual number of shares delivered without physical registration, there may be differences due to different calculation bases.

- (2) If above information belongs to the shareholder's delivery of shares to the trust, it is disclosed in individual accounts by the trustor who opened the trust account for the trustee. As for the shareholders' declaration of insider's shareholding in accordance with the Securities and Exchange Act, their shareholding includes their own shareholding plus the shares delivered to the trust and the right to use the trust property. For information on insider's shareholding declaration, please refer to Market observation post system.

14. Department information

Please refer to 2024 Consolidated Financial report.

Bright LED Electronics Corp.
Statement of Cash and Cash Equivalents
December, 31, 2024

Unit : NT\$ thousands

<u>Accounting items</u>	<u>Notes</u>	<u>Amount</u>
Petty Cash		\$ 83
Check deposit	NT \$	207
Demand deposit	NT\$	166,759
	Foreign currencies(US \$1,971,000, RMB 39,000 and HKD3,159,000...etc)	78,139
		244,895
Fixed deposit	NT\$	20,000
	Foreign currencies(US \$800,000)	26,228
		46,228
		<u>\$ 291,413</u>

Notes: Foreign currency exchange rate: USD 1 to TWD 32.785, HKD 1 to TWD 4.222 and RMB 1 to TWD 4.478.

Bright LED Electronics Corp.
List of Contract Assets—Current
From January 1, 2024 to December 2024

Unit: NT\$ thousands

Contract asset-current		Construction in Progress			Construction in Advance			Net amount at end of period
		Balance, beg.	Amount spent (Note 2)	Amount carried forward	Balance, beg	Amount increased	Amount carried forward	
Construction name				Balance, end			Balance, end	
Percentage of completion method:								
T0040	\$	106,554	(5,842)	-	100,712	82,478	-	18,234
T0594		287,775	-	(40,441)	247,334	-	-	247,334
Other (Note 1)		2,158	7,255	(6,818)	2,595	-	-	2,595
TOTAL	\$	396,487	1,413	(47,259)	350,641	82,478	-	268,163

Note 1: The balance of each item does not exceed 5% of the amount of the subject. Therefore, it will not be listed separately.

Note 2: Including construction benefits.

Contract liability-current		Construction in Progress			Construction in Advance			Net amount at end of period
		Balance, beg.	Amount spent (Note 3)	Amount carried forward	Balance, beg	Amount increased	Amount carried forward	
Construction name				Balance, end			Balance, end	
Percentage of completion method:								
T0615 (note 4)	\$	-	50,779	-	50,779	72,340	-	(21,561)

Note 3 : Including construction benefits.

Note 4 : The project also provided a time deposit guarantee of NT\$41,550,000, which was recorded under "Other financial assets - current".

Bright LED Electronics Corp.
List of Notes and Accounts Receivables

	December, 31, 2024	Unit: NT\$ thousands
<u>Accounting Items</u>	<u>Notes</u>	<u>Amount</u>
Notes receivables :		
Company A	Operating income of non-related parties	\$ 4,715
Company B	"	798
Company C	"	504
Company D	"	310
Others (Note)	"	<u>489</u>
Total		<u>6,816</u>
Accounts receivables :		
Company E	Operating income of non-related parties	55,259
Company F	"	31,816
Company G	"	25,362
Company H	"	16,346
Company I		15,031
Others (Note)	"	<u>44,907</u>
Total		<u>188,721</u>
Construction receivables		74,423
Deduct : Allowance of debts		<u>(1,256)</u>
Net		<u>261,888</u>
Total		<u><u>\$ 268,704</u></u>

Note: The balance per each customer that does not exceed 5% of the amount of the subject will not be listed separately.

Bright LED Electronics Corp.

List of Inventories

December, 31, 2024

Unit: NT\$ thousands

Accounting items	Costs	Net realized value
Finished goods	\$ 6,550	3,450
Semi-finished goods	734	734
WIP goods	193	193
Raw material and consumables	18,912	17,325
Raw material in transit	2,813	2,813
	29,202	24,515
Deduct: Allowance for depreciation of inventories and losses of idle inventories	(4,687)	
Total	\$ 24,515	

Bright LED Electronics Corp.

Change List of Financial assets at fair value through other comprehensive profit or loss - non-current

From January 1, 2024 to December 31, 2024

Unit: NT\$ thousands

Number of shares: thousand shares

Name	Balance, beg.		Increase		Decrease		Others (Note 1)	Balance, end		Guarantee
	Shares	Fair value	Shares	Amount	Shares	Amount	Amount	Shares	Fair value	Or pledge
Powertip technology corporation	19,020	\$ 301,469	-	-	-	-	(28,530)	19,020	272,939	無
WK 9 investment	11,996	274,302	-	-	(2,399)	(23,993)	(33,607)	9,597	216,702	〃
NF capital	8,900	80,570	-	-	-	-	3,078	8,900	83,648	〃
Foxfortune Technology Ventures Ltd.	1,560	50,417	-	-	(312)	(10,235)	4,896	1,248	45,078	〃
WK 9 investment Phase II	20,000	199,590	-	-	-	-	(14,642)	20,000	184,948	〃
Others (Note)	-	738	-	-	-	-	165	-	903	〃
Total		\$ 907,086		-		(34,228)	(68,640)		804,218	

Note: The balance per each that does not exceed 5% of the amount of the subject will not be listed separately.

Note 1: Appraisal number adjusted by fair value.

Note 2: It refers to the refund of capital reduction

Bright LED Electronics Corp.
Change List of Investments using Equity Method
From January 1, 2024 to December 31, 2024

Unit: NT\$ thousands

Number of shares: thousand shares

Name	Balance, beg.		Increase		Decrease		Share of profits and losses of subsidiaries, affiliates and joint ventures recognized using the equity method	foreign operating agencies Translation differences on financial statements	Other change	Balance, end			Market price/ total net worth	Guarantee or pledge	Note
	Shares	Amount	Shares	Amount	Shares	Amount				Shares	Holding %	Amount			
Stock :	11,460	\$ 2,255,854	-	-	-	-	(50,491)	18,899	-	11,460	100%	2,224,262	2,224,262	N/A	
WanHui (HK)	8,783,545	183,020	-	-	-	-	(15,004)	5,333	-	8,783,545	93%	173,349	173,349	"	
KoBrite Corp.	28,592	67,111	-	-	-	-	3,186	2,545	-	28,592	60%	72,842	72,842	"	
LiSheng Int'l	11,460	\$ 2,255,854	-	-	-	-	(50,491)	18,899	-	11,460	100%	2,224,262	2,224,262	N/A	
WanShui (HK)	2,993	23,139	-	-	-	-	533	408	(4,085)(Note 1)	2,993	23%	19,995	19,995	"	
AB Corp.	151	38,320	-	-	-	-	2,911	2,656	-	151	46%	43,887	43,887	"	
Powertip Image Corporation	7,671	152,109	-	-	44	(872)	42,478	3,298	(19,244)(Note 2)	7,627	19%	177,769	177,769	"	
		<u>\$ 2,719,553</u>		<u>-</u>		<u>(872)</u>	<u>(16,387)</u>	<u>33,139</u>	<u>(23,329)</u>			<u>2,712,104</u>			

Note 1: Dividend income of WanShui HK.

Note 2: Changes in ownership of related companies of Powertip Image Corp. adjusted capital reserves by NT\$177,000 and cash dividends by NT\$19,067,000.

Bright LED Electronics Corp.
List of Notes and Accounts payables

December 31, 2024

Unit: NT\$ thousands

<u>Accounting Items</u>	<u>Note</u>	<u>Amount</u>
Notes payable :		
Company A	Payment	\$ 2,893
Others (Note)	Payment/ Operating expenses	<u>37</u>
		<u>2,930</u>
Accounts payable :		
Company B	Payment	8,656
Company C	"	2,339
Company D	"	1,295
Company E	"	1,209
Others (Note)	Payment	<u>3,608</u>
		<u>17,107</u>
		<u>\$ 20,037</u>
Accounts payable to related parties :		
WanHui (HK)	Payment	\$ 1,720,668
Kobrite (Taiwan)	"	2,972
AB Corp.	"	<u>11,652</u>
		<u>\$ 1,735,292</u>

Note: The amount of each supplier that does not exceed 5% of the amount of this subject will not be listed separately.

Bright LED Electronics Corp.
List of Operating Income
From January 1, 2024 to December 31, 2024 Unit: NT\$ thousands

<u>Accounting items</u>	<u>Amount</u>
Sales revenues (Note 1)	
Visible LED products	\$ 385,381
Invisible LED products	456,393
Others (Note 2)	<u>3,134</u>
	<u>844,908</u>
Construction revenues	
T0615	50,779
Others (Note 2)	<u>1,413</u>
	<u>52,192</u>
	<u><u>\$ 897,100</u></u>

Note 1: The above amount is the net amount after deducting sales returns and discounts.

Note 2: The amount of each income that does not exceed 5% of the amount of the subject will not be listed separately.

Bright LED Electronics Corp.

List of Operating Costs

From January 1, 2024 to December 31, 2024

Unit: NT\$ thousands

<u>Accounting items</u>	<u>Amount</u>
Beg. Of raw materials	\$ 22,693
Add : Incoming materials	89,923
Other additions	8
Deduct : End of raw materials	(21,725)
Cost of raw materials sold	(19,959)
Other deductions	<u>(2,019)</u>
Manufacturing cost of current period	68,921
Beg of semi-finished goods	7,139
Deduct : End of WIP goods	(193)
Deduct : End of semi-finished goods	<u>(734)</u>
Cost of finished goods	75,133
Add : Beg. Of finished goods	7,272
Outsourced finished goods	466,063
Other additions	71
Deduct : End of finished goods	(6,550)
Others	<u>(4,912)</u>
Total	537,077
Cost of raw materials sold	19,959
Cost of construction	48,162
Cost of others	3,164
Cost of outsourcing	32,187
Losses of idle inventories and depreciation	<u>280</u>
TOTAL	<u><u>\$ 640,829</u></u>

Bright LED Electronics Corp.
List of Management Expenses
From January 1, 2024 to December 31, 2024 **Unit: NT\$ thousands**

Accounting items	Marketing expense	Management expense	R&D expense	Total
Salary expense (including pension)	\$ 20,739	34,136	5,108	59,983
Insurance expense	1,972	3,626	466	6,064
Employee compensation	-	20,368	-	20,368
Directors compensation	-	5,092	-	5,092
Depreciation expense	1,305	1,254	-	2,559
Other (Note)	5,240	16,179	1,947	23,366
	\$ 29,256	80,655	7,521	117,432

Note: The amount of each item that does not exceed 5% of the amount of the subject will not be listed separately.