Silitech Technology Corporation

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Silitech Technology Corporation

Opinion

We have audited the accompanying financial statements of Silitech Technology Corporation (the "Company"), which comprise the balance sheets as of December 31, 2024 and 2023, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, based on our audits and the report of other auditors (refer to the Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its 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 Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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. Based on our audits and the report of other auditors, 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 financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the audit of the Company's financial statements for the year ended December 31, 2024 are described as follows:

<u>Occurrence of revenue from specific customers</u>

The major operating revenue of the Company is mechanical components. In 2024, the operating revenue has increased compared with 2023 due to the growing demand for wearable electronics, of which the operating revenue from specific customers is significant and growth rate reaches certain standards, the auditors assessed that the revenue generated by this specific customers is an item of concern to users of financial statements. Therefore, we considered the occurrence of revenue from specific customers as a key audit matter.

The main audit procedures performed in respect of the occurrence of revenue from specific customers included the following:

1. We understood and tested the design and operating effectiveness of the internal controls relevant to revenue recognition.

2. We obtained the occurrence of recorded revenue from specific customers, determined the appropriate sampling method and sample quantity, and checked documents including customer orders, deliver orders and invoices. We assessed the amount is correct and has been eligible for revenue recognition.

3. We checked, on a sampling basis, the collection reversal records and collection vouchers, and assessed whether the amount is correct and the payer is the same as the buyer, to corroborate the authenticity of sale.

4. We calculated and analyzed whether the account receivable turnover days of specific customers are reasonable, and compared the general credit conditions to see if there is any significant abnormality.

For the accounting policy on revenue recognition refer to Note 4 to the financial statements.

Other Matter

As described in Note 12 to the accompanying financial statements, we did not audit the financial statements of some investees accounted for using the equity method. The financial statements of the aforementioned investees accounted for using the equity method were audited by other auditors; our opinion, insofar as it relates to the related amounts included herein, is based solely on the report of other auditors. The amount of total investments in these investees accounted for using the equity method were NT$81,491 thousand and NT$88,330 thousand, representing 2.60% and 3.05% of the Company’s total assets as of December 31, 2024 and 2023 ; and the share of income/(loss) of subsidiaries accounted for using the equity method for the years ended December 31, 2023 and 2024 were NT$(6,839) thousand and NT$(9,707) thousand, representing (3.60)% and (11.93%) of the comprehensive income.

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

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements.

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

1. Identify and assess the risks of material misstatement of the 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Yen-Chun Chen and Meng-Chieh Chiu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 20, 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.

SILITECH TECHNOLOGY CORPORATION

BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024		2023	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 82,915	3	$ 11,466	-
Financial assets at amortized cost - current (Notes 4 and 9)	-	-	100,000	4
Trade receivables, net (Notes 4 and 10)	239,795	8	151,366	5
Trade receivables from related parties, net (Notes 4, 10 and 26)	13,845	-	10,975	-
Other receivables (Note 4)	5,408	-	6,189	-
Other receivables from related parties (Notes 4 and 26)	11,401	-	3,917	-
Current tax assets (Note 4)	153	-	212	-
Inventories (Notes 4 and 11)	122,766	4	129,783	5
Other current assets (Note 26)	17,738	1	13,290	1
Total current assets	494,021	16	427,198	15
NON-CURRENT ASSETS				
Financial assets at FVTPL - non-current (Notes 4 and 7)	49,226	1	24,805	1
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 4 and 8)	143,887	5	144,060	5
Financial assets at amortized cost - non-current (Notes 4 and 9)	35,575	1	18,008	-
Investments accounted for using the equity method (Notes 4 and 12)	2,342,088	75	2,164,438	75
Property, plant and equipment (Notes 4 and 13)	57,859	2	54,533	2
Other Intangible assets (Note 4)	1,367	-	3,267	-
Deferred tax assets (Notes 4 and 20)	13,475	-	59,145	2
Refundable deposits (Note 4)	175	-	175	-
Other non-current assets	801	-	375	-
Total non-current assets	2,644,453	84	2,468,806	85
TOTAL	$ 3,138,474	100	$ 2,896,004	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade payables (Note 4)	$ 221,813	7	$ 106,642	4
Trade payables to related parties (Notes 4 and 26)	31,576	1	20,343	1
Other payables (Notes 4 and 15)	110,744	4	96,890	3
Other payables to related parties (Notes 4 and 26)	594	-	1,274	-
Current tax liabilities (Notes 4 and 20)	-	-	2,473	-
Provisions- current (Note 4)	3,587	-	2,970	-
Other current liabilities	3,786	-	4,463	-
Total current liabilities	372,100	12	235,055	8
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 20)	36,169	1	36,067	1
Net defined benefit liabilities - non-current (Notes 4 and 16)	4,898	-	7,901	1
Total non-current liabilities	41,067	1	43,968	2
Total liabilities	413,167	13	279,023	10
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 17)				
Share capital				
Ordinary shares	680,000	22	680,000	23
Capital surplus	630,074	20	630,074	22
Retained earnings				
Legal reserve	1,120,368	36	1,120,368	39
Special reserve	306,131	10	206,863	7
Unappropriated earnings	162,325	5	285,807	10
Total retained earnings	1,588,824	51	1,613,038	56
Other equity	(173,591)	(6)	(306,131)	(11)
Total equity	2,725,307	87	2,616,981	90
TOTAL	$ 3,138,474	100	$ 2,896,004	100

The accompanying notes are an integral part of the financial statements.
(With Deloitte & Touche auditors' report date February 20, 2025)

SILITECH TECHNOLOGY CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 18 and 26)	$1,139,484	100	$ 799,428	100
COST OF GOODS SOLD (Notes 11, 22 and 26)	(971,898)	(85)	(676,311)	(85)
GROSS PROFIT	167,586	15	123,117	15
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES (Note 4)	(242)	-	(248)	-
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES (Note 4)	236	-	397	-
REALIZED GROSS PROFIT	167,580	15	123,266	15
OPERATING EXPENSES (Notes 22 and 26)				
Selling and marketing expenses	(19,568)	(2)	(23,366)	(3)
General and administrative expenses	(91,203)	(8)	(95,246)	(12)
Research and development expenses	(12,621)	(1)	(16,988)	(2)
Expected credit loss	-	-	(1)	-
Total operating expenses	(123,392)	(11)	(135,601)	(17)
PROFIT (LOSS) FROM OPERATIONS	44,188	4	(12,335)	(2)
NON-OPERATING INCOME AND EXPENSES (Note 19)				
Interest income	2,704	-	5,101	1
Other income	6,573	1	7,340	1
Other gains and losses	1,578	-	5,757	1
Finance costs	(1)	-	(15)	-
Expected credit loss	(69)	-	(183)	-
Share of profit or loss of subsidiaries and associates	11,719	1	124,692	15
Total non-operating income and expenses	22,504	2	142,692	18
PROFIT BEFORE INCOME TAX	66,692	6	130,357	16
INCOME TAX EXPENSE (Notes 4 and 20)	(11,614)	(1)	(11,029)	(1)
NET PROFIT FOR THE YEAR	55,078	5	119,328	15

(Continued)

SILITECH TECHNOLOGY CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 16)	$ 2,829	-	$ (22)	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(173)	-	(6,004)	(1)
Share of the other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	45	-	(283)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 20)	(566)	-	5	-
	2,135	-	(6,304)	(1)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	165,891	15	(39,577)	(5)
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 20)	(33,178)	(3)	7,915	1
	132,713	12	(31,662)	(4)
Other comprehensive income (loss) for the year, net of income tax	134,848	12	(37,966)	(5)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 189,926	17	$ 81,362	10
EARNINGS PER SHARE (IN NTD; Note 21)				
Basic	$ 0.81		$ 1.75	
Diluted	$ 0.81		$ 1.75	

The accompanying notes are an integral part of the financial statements. (Concluded)
(With Deloitte & Touche auditors’ report date February 20, 2025)

SILITECH TECHNOLOGY CORPORATION

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	Share Capital			Retained Earnings			Other Equity		
	Ordinary Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Loss on Financial Asset at FVTOCI	Total Equity
BALANCE AT JANUARY 1, 2023	68,000	$ 680,000	$ 630,074	$ 1,109,766	$ 316,814	$ 108,230	$ (125,664)	$ (142,801)	$ 2,576,419
Appropriation of the 2022 earnings									
Legal reserve	-	-	-	10,602	-	(10,602)	-	-	-
Special reserve reversed	-	-	-	-	(109,951)	109,951	-	-	-
Cash dividends	-	-	-	-	-	(40,800)	-	-	(40,800)
Net profit for the year ended December 31, 2023	-	-	-	-	-	119,328	-	-	119,328
Other comprehensive loss for the year ended December 31, 2023, net of income tax	-	-	-	-	-	(300)	(31,662)	(6,004)	(37,966)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	119,028	(31,662)	(6,004)	81,362
BALANCE AT DECEMBER 31, 2023	68,000	$ 680,000	$ 630,074	$ 1,120,368	$ 206,863	$ 285,807	$ (157,326)	$ (148,805)	$ 2,616,981
Appropriation of the 2023 earnings									
Special reserve	-	-	-	-	99,268	(99,268)	-	-	-
Cash dividends	-	-	-	-	-	(81,600)	-	-	(81,600)
Net profit for the year ended December 31, 2024	-	-	-	-	-	55,078	-	-	55,078
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	-	2,308	132,713	(173)	134,848
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	57,386	132,713	(173)	189,926
BALANCE AT December 31, 2024	68,000	$ 680,000	$ 630,074	$ 1,120,368	$ 306,131	$ 162,325	$ (24,613)	$ (148,978)	$ 2,725,307

The accompanying notes are an integral part of the financial statements.
(With Deloitte & Touche auditors' report dated February 20, 2025)

SILITECH TECHNOLOGY CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 66,692	$ 130,357
Adjustments for:		
Depreciation expense	13,842	15,435
Amortization expense	1,900	3,124
Expected credit loss on trade receivables	69	184
Net loss on fair value change of financial assets at FVTPL	579	290
Finance costs	1	15
Interest income	(2,704)	(5,101)
Dividend income	(2,693)	(1,152)
Share of profit of subsidiaries and associates	(11,719)	(124,692)
Write-downs of inventories	1,363	959
Unrealized loss (gain) on the transactions with subsidiaries	6	(149)
Gain recognized in bargain purchase transaction	-	(2,027)
Changes in operating assets and liabilities		
Financial assets as at FVTPL	-	(95)
Trade receivables	(88,429)	(17,161)
Trade receivables from related parties	(2,870)	2,354
Other receivables	506	4,297
Other receivables from related parties	(7,484)	8,728
Inventories	5,654	(42,812)
Other current assets	(4,448)	6,752
Trade payables	115,171	22,615
Trade payables to related parties	11,233	(26,777)
Other payables	14,809	(7,028)
Other payables to related parties	(680)	(1,273)
Provisions	617	213
Other current liabilities	(677)	(4,661)
Net defined benefit liabilities-non current	(174)	(976)
Cash generated (used in) from operations	110,564	(38,581)
Interest received	2,931	3,727
Dividends received	2,693	1,152
Income tax paid	(2,000)	-
Interest paid	(1)	(15)
Net cash generated from (used in) operating activities	114,187	(33,717)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at FVTOCI	-	(105,000)
Purchase of financial assets at amortized cost	(17,588)	(118,176)
Proceeds from financial assets at amortized cost	100,000	-
Purchase of financial assets at FVTPL	(25,000)	(25,000)
Net cash outflow on acquisition of subsidiaries	-	(790,269)

(Continued)

SILITECH TECHNOLOGY CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
Proceeds from capital reduction of investees accounted for using equity method	$ -	$ 694,259
Payments for property, plant and equipment	(18,124)	(9,187)
Payments for intangible assets	-	(1,692)
Decrease in other non-current assets	(426)	885
Net cash generated from (used in) investing activities	38,862	(354,180)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividends paid	(81,600)	(40,800)
Net cash used in financing activities	(81,600)	(40,800)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	71,449	(428,697)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	11,466	440,163
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 82,915	$ 11,466

The accompanying notes are an integral part of the financial statements. (Concluded)
(With Deloitte & Touche auditors' report dated February 20, 2025)

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Silitech Technology Corporation (the "Company") was established in October 2001 and listed on the Taiwan Stock Exchange in March 2004, and is mainly engaged in the manufacture and sale of modules and rubber (plastic) products.

The financial statements of the Company are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company's board of directors and authorized for issue on February 20, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group's accounting policies:

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 1)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note1)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026

(Continued)

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note1)
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 “Presentation and Disclosures in Financial Statements”

IFRS 18 will supersede IAS 1” Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as ‘other’ only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same as the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries, the share of other comprehensive income of subsidiaries, in these parent company only financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Company does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Business combinations under common control

Business combinations under common control are accounted for applying the book-value method. Comparative information of the prior period in the consolidated financial statements is restated as if the combination had already occurred.

e. Foreign currencies

In preparing the Company's financial statements, transactions in currencies other than the Company's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purpose of presenting the financial statements, the assets and liabilities of the Company's foreign operations (including subsidiaries in other countries that use currencies which are different from the currency of the Company) are translated into New Taiwan dollars using the exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of the Company are reclassified to profit or loss.

f. Inventories

Inventories consist of raw materials, work in progress and finished goods. Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

g. Investments in subsidiaries

Investments in subsidiaries are accounted for using the equity method.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, investments in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiary attributable to the Company.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

When the Company transacts with its subsidiaries, profits and losses resulting from the transactions with the subsidiaries are recognized in the Company's financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

Profits or losses resulting from downstream transactions are eliminated in full only in the parent company's financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the parent company's financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

h. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. If an asset's lease term is shorter than its useful life, such an asset is depreciated over the lease term. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Impairment of property, plant and equipment and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of such assets is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value-in-use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. Reversals of impairment loss are recognized in profit or loss.

k. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to an acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

A financial asset is classified as at FVTPL when such a financial asset is mandatorily classified. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. Fair value is determined in the manner described in Note 25.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents and trade receivables at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset; and

ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Company always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including forward exchange contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

l. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

m. Revenue recognition

The Company identifies contracts with the customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods comes from sales of rubber goods. Sales of goods are recognized as revenue when the goods are shipped or delivered to the customer because that is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers, and bears the risks of obsolescence. Trade receivables are recognized concurrently.

n. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

1) The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

o. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

p. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company’s accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When the Company develops material accounting estimates, the possible impacts are considered in the material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Based on the assessment of the Company’s management, the accounting policies, estimates, and assumptions adopted by the Company have not been subject to material accounting judgements, estimates and assumptions uncertainty.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	**2023**
Cash on hand	$ 55	$ 39
Checking accounts and demand deposits	67,860	11,427
Cash equivalents		
Time deposits	15,000	-
	$ 82,915	$ 11,466

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	December 31	
	2024	**2023**
Financial assets at FVTPL - non-current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Limited Partnership	$ 49,226	$ 24,805

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVTOCI")

	December 31	
	2024	**2023**
Non-current		
Domestic investments		
Listed preferred shares	$130,448	$130,100
Unlisted ordinary shares	13,439	13,960
	$143,887	$144,060

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2024	**2023**
Current		
Time deposits with original maturities of more than 3 months (a)	$ -	$100,000

	December 31	
	2024	**2023**
Non-current		
Foreign corporate bond (b)	$ 35,832	$ 18,183
Less: Allowance for impairment loss	(257)	(175)
	$ 35,575	$ 18,008

a. The interest rate of time deposits with original maturities of more than 3 months was 1.40% per annum as of December 31, 2023.
b. The Company purchased 5~10 year corporate bonds, with the maturity period from 2028 to 2034, the coupon rate was 5.05% to 5.80%, and the effective interest rate was 5.36%~5.80%.

The Company's exposure and the external credit ratings are continuously monitored. The Company reviews changes in bond yields and other public information and makes an assessment whether there has been a significant increase in credit risk since the last period to the reporting date.

In determining the expected credit losses for debt instrument investments, the Company considers the historical probability of default and loss given default of each credit rating supplied by external rating agencies, the current financial condition of the debtors and the future prospects of the industries.

10. TRADE RECEIVABLES

	December 31	
	2024	**2023**
Trade receivables		
At amortized cost		
Gross carrying amount	$ 253,641	$ 162,342
Less: Allowance for impairment loss	(1)	(1)
	$ 253,640	$ 162,341

The average credit period of sales of goods was 60-90 days and no interest was charged on trade receivables. In order to minimize credit risk, the management of the Company has regularly evaluated for credit approvals and carried out other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company’s credit risk was significantly reduced.

The Company estimates expected credit losses according to the prescribed approach, which permits the recognition of lifetime expected losses for all trade receivables. The expected credit losses on trade receivables are estimated using an allowance matrix, which takes into consideration the historical credit loss experience with the respective debtor, the current financial position of the debtor, economic condition of the industry in which the customer operates and industry outlooks. As the Company’s historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company’s different customer base.

The Company writes off a trade receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or when the trade receivables are over 240 days past due, whichever occurs earlier. For trade receivables that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Company’s provision matrix.

December 31, 2024

	Not Past Due	**Up to 60 Days**	**Total**
Expected credit loss rate	-	0.2%	
Gross carrying amount	$ 253,143	$ 498	$ 253,641
Loss allowance (Lifetime ECLs)	-	(1)	(1)
Amortized cost	$ 253,143	$ 497	$ 253,640

December 31, 2023

	Not Past Due	Up to 60 Days	Total
Expected credit loss rate	-	0.1%	
Gross carrying amount	$ 161,326	$ 1,016	$ 162,342
Loss allowance (Lifetime ECLs)	-	(1)	(1)
Amortized cost	$ 161,326	$ 1,015	$ 162,341

The movements of the loss allowance of trade receivables are as follows:

	December 31	
	2024	2023
Balance at January 1	$ 1	$ -
Add: Expected credit loss	-	1
Balance at December 31	$ 1	$ 1

11. INVENTORIES, NET

	December 31	
	2024	2023
Raw materials	$ 61,056	$ 66,733
Work in progress	44,360	31,627
Finished goods	12,966	27,459
Supplies	2,666	3,427
Merchandise	1,718	537
	$122,766	$129,783

The cost of inventories recognized as cost of goods sold included the inventory write-downs and disposals.

	For the Year Ended December 31	
	2024	2023
Inventory write-downs	$ 1,363	$ 959
Loss of inventory scrapped	32	11

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Subsidiaries	December 31	
	2024	2023
Silitech (BVI) Holding Ltd.	$1,322,915	$1,291,690
Silitech Technology Corporation Sdn. Bhd.	937,682	784,418
Silitech Electronics Sdn. Bhd. (Formerly Iwatsu (Malaysia) Sdn. Bhd.)	81,491	88,330
	$2,342,088	$2,164,438

Name of Company	Proportion of Ownership and Voting Rights (%)	
	December 31	
	2024	2023
Silitech (BVI) Holding Ltd.	100	100
Silitech Technology Corporation Sdn. Bhd.	100	100
Silitech Electronics Sdn. Bhd. (Formerly Iwatsu (Malaysia) Sdn. Bhd.)	100	100

a. The Company adjusted the organization structure on January 2023 and acquired 100% equity of Silitech Technology Corporation Sdn. Bhd. from Silitech (Bermuda) Holding Ltd. The aforementioned transaction was an organizational restructuring under common control; hence, the book-value method is applied in transaction and the comparative information of the prior period in the financial statements is restated as if the acquisition had already occurred. Since the entities involved in the restructuring are all 100% owned subsidiaries in the consolidated statements, there is no impact on the single items of financial statements. Only component items will be adjusted for disclosure amounts retrospectively.

b. The company acquired 100% equity of Iwatsu (Malaysia) Sdn. Bhd. on September 2023, see Note 23.

c. Iwatsu (Malaysia) Sdn. Bhd. changed the company name to Silitech Electronics Sdn. Bhd. on April 08, 2024.

13. PROPERTY, PLANT AND EQUIPMENT, NET

	Freehold Land	Buildings	Machinery Equipment	Testing Equipment	Transportation Equipment	Office Equipment	Other Equipment	Total
Cost								
Balance at January 1, 2024	$ 9,789	$ 164,280	$ 96,929	$ 40,253	$ 3,492	$ 55,042	$ 10,711	$ 380,496
Additions	-	-	5,211	-	1,635	8,724	1,598	17,168
Disposals	-	-	-	(223)	-	(5,868)	-	(6,091)
Balance at December 31, 2024	$ 9,789	$ 164,280	$ 102,140	$ 40,030	$ 5,127	$ 57,898	$ 12,309	$ 391,573
Accumulated depreciation								
Balance at January 1, 2024	$ -	$ 143,362	$ 65,298	$ 35,470	$ 3,064	$ 49,580	$ 10,115	$ 306,889
Depreciation expense	-	2,247	6,786	186	202	3,742	679	13,842
Disposals	-	-	-	(223)	-	(5,841)	-	(6,064)
Balance at December 31, 2024	$ -	$ 145,609	$ 72,084	$ 35,433	$ 3,266	$ 47,481	$ 10,794	$ 314,667
Accumulated impairment								
Balance at January 1, 2024	$ -	$ 64	$ 14,312	$ 4,507	$ -	$ 191	$ -	$ 19,074
Disposals	-	-	-	-	-	(27)	-	(27)
Balance at December 31, 2024	$ -	$ 64	$ 14,312	$ 4,507	$ -	$ 164	$ -	$ 19,047
Net balance at December 31, 2024	$ 9,789	$ 18,607	$ 15,744	$ 90	$ 1,861	$ 10,253	$ 1,515	$ 57,859
Cost								
Balance at January 1, 2023	$ 9,789	$ 164,280	$ 89,473	$ 39,977	$ 3,492	$ 51,239	$ 10,485	$ 368,735
Additions	-	-	7,456	276	-	3,803	661	12,196
Disposals	-	-	-	-	-	-	(435)	(435)
Balance at December 31, 2023	$ 9,789	$ 164,280	$ 96,929	$ 40,253	$ 3,492	$ 55,042	$ 10,711	$ 380,496
Accumulated depreciation								
Balance at January 1, 2023	$ -	$ 141,063	$ 57,404	$ 34,092	$ 2,949	$ 45,950	$ 10,431	$ 291,889
Depreciation expense	-	2,299	7,894	1,378	115	3,630	119	15,435
Disposals	-	-	-	-	-	-	(435)	(435)
Balance at December 31, 2023	$ -	$ 143,362	$ 65,298	$ 35,470	$ 3,064	$ 49,580	$ 10,115	$ 306,889
Accumulated impairment								
Balance at January 1, 2023	$ -	$ 64	$ 14,312	$ 4,507	$ -	$ 191	$ -	$ 19,074
Disposals	-	-	-	-	-	-	-	-
Balance at December 31, 2023	$ -	$ 64	$ 14,312	$ 4,507	$ -	$ 191	$ -	$ 19,074
Net balance at December 31, 2023	$ 9,789	$ 20,854	$ 17,319	$ 276	$ 428	$ 5,271	$ 596	$ 54,533

(Concluded)

As a result of the life cycle of some products, the estimated future cash flows expected to arise from the related equipment decreased due to equipment idling caused by insufficient capacity. The Company carried out a review of the recoverable amount of the related equipment and determined that the carrying amount had exceeded the recoverable amount. As of December 31, 2024, and 2023, the impairment losses recognized were $19,047 thousand, $19,074 thousand respectively. For the year ended December 31, 2024, the impairment amount decreased due to the disposal of equipment amounting to $27 thousand.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Plant structures	45 years
Electricity and barrier constructions	5-10 years
Machinery equipment	5 years
Testing equipment	3 years
Transportation equipment	5 years
Office equipment	3 years
Other equipment	2 years

14. LEASE ARRANGEMENTS

Other Lease Information

	For the Year Ended December 31	
	2024	**2023**
Expenses relating to short-term leases and low-value asset leases	$ 2,335	$ 2,103
Total cash outflow for leases	$ 2,335	$ 2,103

The Company's lease of certain office equipment qualify as short-term leases and low-value asset leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

15. OTHER PAYABLES

	December 31	
	2024	**2023**
Payroll and Bonus	$ 43,175	$ 34,679
Employees' leave	9,919	8,666
Services	6,257	7,073
Insurance	5,766	4,993
Equipment	3,392	4,347
Tooling	4,761	3,837
Others	37,474	33,295
	$110,744	$ 96,890

16. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries.

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 2.5% of total monthly salaries to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2024	**2023**
Present value of defined benefit obligation	$ 12,399	$ 14,061
Fair value of plan assets	(7,501)	(6,160)
Net defined benefit liabilities	$ 4,898	$ 7,901

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities**
Balance at January 1, 2023	$ 17,128	$ (8,273)	$ 8,855
Service cost			
Current service cost	271	-	271
Net interest expense (income)	257	(127)	130
Recognized in loss (profit)	528	(127)	401
Remeasurement			
Return on plan assets	-	(83)	(83)
Actuarial loss - changes in financial assumptions	359	-	359
Actuarial gain - experience adjustments	(254)	-	(254)
Recognized in other comprehensive income	105	(83)	22
Contributions from the employer	-	(1,377)	(1,377)
Benefits paid	(3,700)	3,700	-
Balance at December 31, 2023	$ 14,061	$ (6,160)	$ 7,901
Service cost			
Current service cost	174	-	174
Net interest expense (income)	176	(80)	96
Recognized in loss (profit)	350	(80)	270
Remeasurement			
Return on plan assets	-	(817)	(817)
Actuarial gain - changes in financial assumptions	(564)	-	(564)
Actuarial gain - experience adjustments	(1,448)	-	(1,448)
Recognized in other comprehensive income	(2,012)	(817)	(2,829)
Contributions from the employer	-	(444)	(444)
Balance at December 31, 2024	$ 12,399	$ (7,501)	$ 4,898

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2024	**2023**
Operating costs	$ 202	$ 266
Selling and marketing expenses	16	34
General and administrative expenses	41	76
Research and development expenses	11	25
	$ 270	$ 401

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2024	**2023**
Discount rate(s)	1.5%	1.25%
Expected rate(s) of salary increase	2.75%	3%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2024	**2023**
Discount rate(s)		
0.25% increase	$ (273)	$ (359)
0.25% decrease	$ 282	$ 372
Expected rate(s) of salary increase		
0.25% increase	$ 274	$ 359
0.25% decrease	$ (266)	$ (349)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2024	2023
The expected contributions to the plan for the next year	$ 473	$ 547
The average duration of the defined benefit obligation	8.8 years	10.1 years

17. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2024	2023
Number of shares authorized (in thousands)	300,000	300,000
Amount of shares authorized	$ 3,000,000	$ 3,000,000
Number of shares issued and fully paid (in thousands)	68,000	68,000
Amount of shares issued	$ 680,000	$ 680,000

b. Capital surplus

	December 31	
	2024	2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital		
Additional paid-in capital in excess of par-common stock	$ 630,074	$ 630,074

Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's paid in capital).

c. Retained earnings and dividend policy

According to the Company's dividend policy, if there is a net profit after tax upon the final settlement of accounts of each fiscal year, the Company shall first offset any previous accumulated losses (including adjustment of unappropriated earnings, if any) and set aside a legal reserve at 10% of the net profit, unless the accumulated legal reserve is equal to the total paid-in capital of the Company; then, it shall set aside or reverse a special reserve in accordance with the relevant laws or regulations or as requested by the authorities in charge. The remaining net profit, plus the beginning unappropriated earnings (including adjustment of unappropriated earnings, if any), shall be distributed as dividends to shareholders according to the distribution plan proposed by the board of directors and submitted to the shareholders in the shareholders' meeting for approval. For the policies on the distribution of compensation of employees and remuneration of directors, refer to Note 22 (b) Employee benefits expenses.

According to the Company's dividend policy of the Company's Articles, the Company cooperates with present and future development plans in mind and takes into consideration the investment environment, international or domestic competition while simultaneously meeting shareholders' interests. When there is no cumulative loss, the Company shall distribute dividends to shareholders at a percentage of no less than 30% of the net profit after tax. Dividends could be distributed either through cash or shares, and cash dividends distributed shall not be less than 50% of the total dividends distributed for the year.

In case there are no earnings for distribution in a certain year, or the earnings of a certain year are significantly less than the earnings actually distributed by the Company in the previous year, or considering the financial, business or operational factors of the Company, the Company may allocate a portion or all of its reserves for distribution in accordance with relevant laws or regulations or the orders of the authorities in charge.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

With respect to the book net amount of other deductions from equity for the period in which it arises, the Company shall allocate an equivalent amount of special reserve shall be allocated from the amount of the after-tax net profit for the period, plus items other than after-tax net profit for the period, that are included in the undistributed earnings of the period. If there remains any insufficiency, it shall be allocated from the undistributed earnings of the previous period.

With respect to the cumulative net amount of other deductions from equity in a preceding period, the Company shall allocate an amount of special reserve equal to the amount allocated to undistributed earnings for the preceding period.

The appropriation of earnings for 2023 and 2022 resolved in the shareholders' meetings on June 4, 2024 and June 14, 2023 was as follows:

	Appropriation of Earnings	
	2023	**2022**
Legal reserve	$ -	$ 10,602
Special reserve	$ 99,268	$ (109,951)
Cash dividends	$ 81,600	$ 40,800
Cash dividends per share (NT$)	$ 1.20	$ 0.60

18. REVENUE

	For the Year Ended December 31	
	2024	**2023**
Customer contracts revenue		
Product operating revenue	$1,100,015	$ 758,841
Management service revenue	39,469	40,587
	$1,139,484	$ 799,428

19. NON-OPERATING INCOME AND EXPENSES

a. Interest income

	For the Year Ended December 31	
	2024	**2023**
Bank deposits	$ 1,082	$ 3,925
Financial assets at amortized cost	1,622	1,176
	$ 2,704	$ 5,101

b. Other income

	For the Year Ended December 31	
	2024	**2023**
Rental income	$ -	$ 887
Dividends	2,693	1,152
Gain recognized in bargain purchase transaction	-	2,027
Others	3,880	3,274
	$ 6,573	$ 7,340

c. Other gains and losses

	For the Year Ended December 31	
	2024	2023
Foreign currency exchange gain	$ 3,101	$ 6,047
Net loss on financial assets at FVTPL	(579)	(290)
Others	(944)	-
	$ 1,578	$ 5,757

d. Gain or loss on foreign currency exchange

	For the Year Ended December 31	
	2024	2023
Foreign exchange gain	$ 4,945	$ 14,508
Foreign exchange loss	(1,844)	(8,461)
Net foreign exchange gain	$ 3,101	$ 6,047

20. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense (benefit) listed as follows:

	For the Year Ended December 31	
	2024	2023
Current tax		
Surtax on unappropriated earnings	$ -	$ 2,473
Adjustments for prior year	(414)	-
Deferred tax		
In respect of the current period	12,028	8,556
Income tax expense recognized in profit or loss	$ 11,614	$ 11,029

A reconciliation of accounting profit and income tax expense listed as follows:

	For the Year Ended December 31	
	2024	2023
Profit before income tax	$ 66,692	$ 130,357
Income tax expense calculated at the statutory rate	$ 13,338	$ 26,071
Nondeductible items in determining taxable income	-	373
Tax-exempt income	(539)	(819)
Surtax on unappropriated earnings	-	2,473
Unrecognized temporary differences	(771)	(17,069)
Adjustments for prior year	(414)	-
Income tax expense recognized in profit or loss	$ 11,614	$ 11,029

b. Income tax recognized in other comprehensive (loss) income

	For the Year Ended December 31	
	2024	2023
Deferred tax		
In respect of the current period:		
Translation of foreign operations	$ (33,178)	$ 7,915
Remeasurement on defined benefit plans	(566)	5
Income tax recognized in other comprehensive (loss) income	$ (33,744)	$ 7,920

c. Deferred tax assets and liabilities

The movements of deferred tax assets and liabilities listed as follows:

For the year ended December 31, 2024

	Opening Balance	Recognized in Profit (Loss)	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Deferred tax assets				
Temporary differences				
Unrealized loss on inventories	$ 767	$ 273	$ -	$ 1,040
Unrealized exchange loss	347	(275)	-	72
Defined benefit obligation	3,681	-	(566)	3,115
Exchange differences on translation of the financial statements of foreign operations	39,330	-	(33,178)	6,152
Payables for annual leave	1,733	251	-	1,984
Loss carryforwards	12,428	(12,428)	-	-
Others	859	253	-	1,112
	$ 59,145	$ (11,926)	$ (33,744)	$ 13,475
Deferred tax liabilities				
Temporary differences				
Unrealized exchange gain	$ 136	$ 102	$ -	$ 238
Land value increment tax	9,477	-	-	9,477
Share of profit of subsidiaries	26,454	-	-	26,454
	$ 36,067	$ 102	$ -	$ 36,169

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit (Loss)	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Deferred tax assets				
Temporary differences				
Unrealized loss on inventories	$ 575	$ 192	$ -	$ 767
Unrealized exchange loss	72	275	-	347
Defined benefit obligation	3,676	-	5	3,681
Exchange differences on translation of the financial statements of foreign operations	31,415	-	7,915	39,330
Payables for annual leave	1,532	201	-	1,733
Loss carryforwards	21,803	(9,375)	-	12,428
Others	804	55	-	859
	$ 59,877	$ (8,652)	$ 7,920	$ 59,145
Deferred tax liabilities				
Temporary differences				
Unrealized exchange gain	$ 232	$ (96)	$ -	$ 136
Land value increment tax	9,477	-	-	9,477
Share of profit of subsidiaries	26,454	-	-	26,454
	$ 36,163	$ (96)	$ -	$ 36,067

d. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the balance sheets

	December 31	
	2024	2023
Loss carryforwards		
Expiry in 2027	$ -	$ 604
Expiry in 2028	29,325	63,661
Expiry in 2029	86,573	86,573
Expiry in 2030	113,413	113,413
Expiry in 2031	20,076	20,076
	$ 249,387	$ 284,327

e. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2024 comprised:

Unused Amount	Year of Expiry
$ 29,325	2028
86,573	2029
113,413	2030
20,076	2031
$ 249,387	

f. Income tax assessments

The income tax returns of the Company through 2022 have been assessed by the tax authorities.

21. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2024	2023
Basic earnings per share	$ 0.81	$ 1.75
Diluted earnings per share	$ 0.81	$ 1.75

The net profit and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

	For the Year Ended December 31	
	2024	2023
Net profit for the year	$ 55,078	$ 119,328

Number of shares

Unit: In Thousand Shares

	For the Year Ended December 31	
	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	68,000	68,000
Effect of potentially dilutive ordinary shares:		
Compensation of employees	75	122
Weighted average number of ordinary shares used in the computation of diluted earnings per share	68,075	68,122

If the Company settles the bonuses or remuneration paid to employees in cash or shares, the Company assumed that the entire amount of the bonuses or remuneration will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. The dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

22. ADDITIONAL INFORMATION ON EXPENSES

a. Depreciation and amortization

	For the Year Ended December 31	
	2024	**2023**
An analysis of depreciation by function		
Recognized in operating costs	$ 8,871	$ 10,345
Recognized in operating expenses	4,971	5,090
	$ 13,842	$ 15,435

	For the Year Ended December 31	
	2024	**2023**
An analysis of amortization by function		
Recognized in operating expenses	$ 250	$ 2,957
Recognized in operating costs	1,650	167
	$ 1,900	$ 3,124

b. Employee benefits expense

	For the Year Ended December 31	
	2024	**2023**
Post-employment benefits (Note 16)		
Defined contribution plans	$ 8,773	$ 7,628
Defined benefit plans	270	401
	9,043	8,029
Other employee benefits	295,449	231,389
	$ 304,492	$ 239,418
Employee benefits expense summarized by function		
Recognized in operating costs	$ 230,665	$ 161,484
Recognized in operating expenses	73,827	77,934
	$ 304,492	$ 239,418

In compliance with the Articles, the Company accrues the distribution of employees' compensation and remuneration of directors at rates of 2% to 10% and no higher than 3%, respectively, of net profit before income tax, employees' compensation and remuneration of directors. The appropriations of compensation of employees and remuneration of directors for 2024 and 2023, which were approved by the Company's board of directors on February 20, 2025 and February 22, 2024, respectively, are as follows:

Estimation ratio

	For the Year Ended December 31	
	2024	2023
Employees' compensation	3%	3%
Remuneration of directors	2%	2%

Amount

	For the Year Ended December 31	
	2024	2023
	Cash	Cash
Employees' compensation	$ 2,106	$ 4,117
Remuneration of directors	$ 1,404	$ 2,744

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of the compensation of employees and the remuneration of directors paid and the amounts recognized in the financial statements for the years ended December 31, 2023 and 2022.

Information on compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

23. ACQUISITION OF A SUBSIDIARY- CONSTITUTE A BUSINESS

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Iwatsu (Malaysia) Sdn. Bhd.	Manufacture of telecommunications and communications equipment	September 1, 2023	100	$ 96,010

For instructions on acquiring Iwatsu (Malaysia) Sdn. Bhd., please refer to Note 27 of 2024 Consolidated Financial Report.

24. CAPITAL MANAGEMENT

The Company maintains its capital to support equipment upgrades. The Company's capital management is to ensure there are sufficient financial resources and operation plans, in order to meet the needs of working capital, capital expenditures, research and development fees, debt repayment and dividend distribution over the next 12 months.

25. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

The management considers that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values or their fair values cannot be measured reliably.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Limited partnership	$ -	$ -	$ 49,226	$ 49,226
Financial assets at FVTOCI				
Investments in equity instruments				
- domestic listed preferred shares	$130,448	$ -	$ -	$130,448
- domestic unlisted ordinary shares	-	-	13,439	13,439
	$130,448	$ -	$ 13,439	$143,887

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Limited partnership	$ -	$ -	$ 24,805	$ 24,805
Financial assets at FVTOCI				
Investments in equity instruments				
- domestic listed preferred shares	$130,100	$ -	$ -	$130,100
- domestic unlisted ordinary shares	-	-	13,960	13,960
	$130,100	$ -	$ 13,960	$144,060

There were no transfers between Levels 1 and 2 during the years ended December 31, 2024 and 2023.

2) Reconciliation of Level 3 fair value measurements of financial instruments:

For the year ended December 31, 2024

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Balance at January 1	$ 24,805	$ 13,960	$ 38,765
Recognized in income (loss)	(579)	-	(579)
Recognized in other comprehensive income (loss)	-	(521)	(521)
Purchase	25,000	-	25,000
Balance at December 31	$ 49,226	$ 13,439	$ 62,665

For the year ended December 31, 2023

Financial Assets	**Financial Assets at FVTPL**	**Financial Assets at FVTOCI**	**Total**
Balance at January 1	$ -	$ 9,800	$ 9,800
Recognized in income (loss)	(195)	-	(195)
Recognized in other comprehensive income (loss)	-	(840)	(840)
Purchase	25,000	5,000	30,000
Balance at December 31	$ 24,805	$ 13,960	$ 38,765

3) Valuation techniques and inputs applied for the purpose of Level 3 fair value measurement:

The fair values of unlisted equity securities and limited partnership - ROC were based on the fair value of net assets to determine the expected present value of the investment expectably.

c. Categories of financial instruments

	December 31	
	2024	**2023**
Financial assets		
Mandatorily classified as at FVTPL	$ 49,226	$ 24,805
Financial assets at amortized cost (1)	389,114	302,096
Financial assets at FVTOCI		
Equity instruments	143,887	144,060
Financial liabilities		
Amortized cost (2)	364,727	225,149

1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, investments in debt instruments, trade receivables, other receivables and guarantee deposits.

2) The balances include financial liabilities measured at amortized cost, which comprise trade payables and other payables.

d. Financial risk management objectives and policies

The Company's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include currency risk, interest rate risk, credit risk and liquidity risk. In order to reduce financial risk, the Company is committed to identify, assess and avoid the uncertainty of the market and reduce the potential downside effects against the Company's financial performance due to market fluctuation.

The corporate treasury function is reviewed by the Company's board of directors and audit committee in accordance with related rules and internal control systems. The Company should implement the overall financial management objective as well as observe the levels of delegated authority and ensure that those with delegated authority carry out their duties.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Company entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk.

a) Foreign currency risk

The Company's primary operating activities and foreign investment structures were in foreign currencies, which exposed the Company to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing derivative financial instruments (i.e., currency swap contracts). The Company could reduce but would be unable to eliminate the effect caused by foreign currency risks under the use of derivative financial products.

The Company's derivative financial instruments did not qualify under hedged items due to the fact that such products were due within 1 year of the initial transaction.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 28.

Sensitivity analysis

The following table details the Company's sensitivity to a 5% increase and decrease in the NTD against the USD and the EUR. The sensitivity analysis included only outstanding foreign currency denominated monetary items at the end of reporting period and the impact on pre-tax profit and the equity.

	USD Impact (i)		EUR Impact (ii)	
	For the Year Ended December 31		For the Year Ended December 31	
	2024	2023	2024	2023
Profit or loss	$ 2,287	$ 1,208	$ 2,727	$ 1,483

i. This was mainly attributable to the exposure on outstanding receivables and payables in USD in cash flow hedges at the end of the reporting period.

ii. This was mainly attributable to the exposure on outstanding receivables and payables in EUR in cash flow hedges at the end of the reporting period.

b) Interest rate risk

Interest rate risk refers to the risk of changes in the fair value of financial instruments and cash flow as a result of changes in the market rate.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period are as follows:

	December 31	
	2024	2023
Fair value interest rate risk		
Financial assets	$ 50,575	$ 118,008
Cash flow interest rate risk		
Financial assets	67,859	11,427

Sensitivity analysis

The sensitivity analyses were determined based on the Company's exposure to interest rates for both derivatives and non-derivative instruments held for a quarter at the end of the reporting period. If interest rates had been 10 basis points higher and all other variables were held constant, the Company's profit or loss would be as follows:

	Market Rate Change Impact	
	2024	**2023**
Profit or loss	$ 68	$ 11

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company is exposed to credit risk from trade receivables, deposits and other financial instruments. Credit risk on business-related exposures is managed separately from that on financial-related credit risk.

a) Business-related credit risk

To maintain the quality of receivables, the Company has established operating procedures to manage credit risk.

For individual customers, risk factors considered include the customer's financial position, credit agency rating, the Company's internal credit rating, and transaction history as well as current economic conditions that may affect the customer's ability to pay. The Company also has the right to use some credit protection enhancement tools, such as requiring advance payments, to reduce the credit risks involving certain customers.

The Company's concentration of credit risk of 95% and 92% of total trade receivables as of December 31, 2024 and 2023, respectively, was related to the Company's top ten customers. The credit concentration risk of the remaining accounts receivable is relatively insignificant.

b) Financial-related credit risk

Credit risk from bank deposits and other financial instruments are measured and monitored by the Company's finance department. However, since the Company's counterparties are all reputable financial institutions and government agencies, there are no significant financial-related credit risks.

3) Liquidity risk

The objective of liquidity risk management is to maintain sufficient operating cash and cash equivalents in order to ensure that the Company has financial flexibility.

Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturities dates for other non-derivative financial liabilities were based on the agreed repayment dates.

December 31, 2024

	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	Over 5 Years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 364,727	$ -	$ -	$ -

December 31, 2023

	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	Over 5 Years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 225,149	$ -	$ -	$ -

26. TRANSACTIONS WITH RELATED PARTIES

The details of transactions between the Company and other related parties are disclosed below.

a. Related parties and their relationships

Related Party	Relationship with the Company
Walsin Technology Corporation	The Company’s major institutional shareholder
INFO-TEK Corporation	Other related party
VVG INC.	Other related party
Lite-On Technology Corporation	The Company’s major institutional shareholder
PSA Charitable Foundation	Other related party
Silitech Technology Corporation Limited	Subsidiary
Silitech Technology Corporation Sdn. Bhd.	Subsidiary
Xurong Electronic (Shenzhen) Co., Ltd.	Subsidiary

b. Sales of goods

Item	Related Party Category	For the Year Ended December 31 2024	2023
Sales of goods	The Company’s major institutional shareholder	$ 1,041	$ 1,710
	Subsidiary	349	456
Management service revenue	Subsidiary	39,469	40,587
		$ 40,859	$ 42,753

The sale of goods to related parties were made at the Company’s usual list prices and conditions which had no significant difference with other non-related parties. The subsidiary's management service revenue was determined by the contract.

c. Purchases

Related Party Category	For the Year Ended December 31 2024	2023
Other related party	$ 41,793	$ 52,932
Subsidiary	16,834	41,646
	$ 58,627	$ 94,578

The purchases from related parties were made at the Company's usual conditions which had no significant difference with other non-related parties.

d. Other income and operating expenses

Item	Related Party Category	For the Year Ended December 31 2024	2023
Operating expenses	Other related parties (Note)	$ 1,573	$ 3,504
	The Company's major institutional shareholder	3,474	2,851
	Subsidiary	59	-
		$ 5,106	$ 6,355
Other income (Recognized as cost deductions)	Other related party	$ 1,385	$ 1,522

Note: For charity and community participation, the Company's board of directors held on February 22, 2024 and February 23, 2023 resolved to donate the PSA Charitable Foundation with a limit amount of NT$7 hundred thousand and NT$1 million for 2024 and 2023, respectively. It is for the foundation to handle various charitable public welfare activities.

e. Receivables from related parties (excluding loans to related parties)

Item	Related Party Category	December 31 2024	2023
Trade receivables	Subsidiary	$ 13,133	$ 10,484
	The Company's major institutional shareholder	712	491
		$ 13,845	$ 10,975
Other receivables	Other related party - INFO-TEK Corporation	$ 9,468	$ 3,531
	Subsidiary- Silitech Technology Corporation Sdn. Bhd.	1,933	386
		$ 11,401	$ 3,917

The outstanding trade receivables from related parties are unsecured.

f. Payables to related parties (excluding borrowings from related parties)

Item	Related Party Category	December 31 2024	December 31 2023
Trade payables	Other related party	$ 23,815	$ 10,644
	Subsidiary	7,761	9,699
		$ 31,576	$ 20,343
Other payables	Subsidiary	$ 35	$ 739
	Other related parties	25	406
	The Company's major institutional shareholder	534	129
		$ 594	$ 1,274

The outstanding trade payables to related parties are unsecured.

g. Prepayments

Item	Related Party Category	December 31 2024	December 31 2023
Other current assets	Other related party - INFO-TEK Corporation	$ -	$ 1,466

h. Compensation of key management personnel

	For the Year Ended December 31 2024	For the Year Ended December 31 2023
Short-term employee benefits	$ 7,363	$ 8,426
Termination benefits	108	108
	$ 7,471	$ 8,534

The remuneration of directors and key executives was determined by the remuneration committee with regard to the performance of individuals and market trends.

27. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

a. In order to meet the capital expenditure and operational turnover needs of the Company and Silitech Electronics Sdn. Bhd. (formerly Iwatsu (Malaysia) Sdn. Bhd.), the Board of Directors of the Company and its subsidiary resolved on January 17, 2025, that Silitech (Bermuda) Holding Ltd. will loan the Company up to US$17,500 thousand, and Silitech Technology Corp. Sdn. Bhd. will loan Silitech Electronics Sdn. Bhd. (formerly Iwatsu (Malaysia) Sdn. Bhd.) up to MYR11,000 thousand, with both loans having a one-year term.

b. To expand the business scale and enhance international competitiveness, the Company's Board of Directors resolved on February 12, 2025, to acquire common shares of FDK Corporation, a company listed on the Tokyo Stock Exchange. The consideration for the tender offer will be paid in cash, and the planned number of shares for the public tender offer is 15,527,400 common shares of FDK. The tender offer will be accomplished if the final valid number of shares tendered meets the planned acquisition quantity.

c. For charity and community participation, the Company's board of directors resolved on February 20, 2025, to donate the PSA Charitable Foundation with a limit amount of NT$1 million. It is for the foundation to handle various charitable public welfare activities.

28. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between the foreign currencies and the respective functional currencies are as follows:

December 31, 2024

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Financial assets			
Monetary items			
USD	$ 1,794	32.7350	$ 58,717
EUR	1,646	34.0313	56,029
Non-monetary items			
Investments accounted for using the equity method			
USD	42,902	32.7350	1,404,406
MYR	127,670	7.3446	937,682
Financial liabilities			
Monetary items			
USD	397	32.7350	12,982
EUR	44	34.0313	1,492

December 31, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Financial assets			
Monetary items			
USD	$ 1,217	30.6650	$ 37,292
EUR	1,078	33.9014	36,535
Non-monetary items			
Investments accounted for using the equity method			
USD	45,018	30.6550	1,380,020
MYR	117,004	6.7042	784,418
Financial liabilities			
Monetary items			
USD	429	30.6550	13,136
EUR	203	33.9014	6,871

(Concluded)

The significant unrealized foreign exchange gain (loss) are as follows:

	For the Year Ended December 31			
	2024		2023	
Functional Currency	**Exchange Rate**	**Net Foreign Exchange Gain (Loss)**	**Exchange Rate**	**Net Foreign Exchange Gain (Loss)**
USD	31.9978 (USD:NTD)	$ 974	31.0901 (USD:NTD)	$ (1,019)
EUR	33.9434 (EUR:NTD)	(145)	33.9493 (EUR:NTD)	(33)
JPY	0.2156 (JPY:NTD)	4	0.2158 (JPY:NTD)	-
		$ 833		$ (1,052)

29. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

1) Financing provided: See Table 1 attached.

2) Endorsements/guarantees provided: None.

3) Marketable securities held (excluding investment in subsidiaries, associates and jointly controlled entities): See Table 2 attached.

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None.

5) Acquisitions of individual real estate properties at costs of at least NT $300 million or 20% of the paid-in capital: None.

6) Disposals of individual real estate properties at prices of at least NT$300 million or 20% of the paid-in capital: None.

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.

9) Trading in derivative instruments: None.

b. Information on investees: See Table 3 attached.

c. Information on investments in mainland China:

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. See Table 4 attached.

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: See Table 5 attached.

   a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

d. Information on major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: See Table 6 attached.

TABLE 1

SILITECH TECHNOLOGY CORPORATION

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

NO.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Balance as of December 31, 2024	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Name	Value			
0	Silitech Technology Corporation	Silitech Electronics Sdn. Bhd.	Other Receivables from Related Parties	Yes	$ 81,838 (USD 2,500)	$ 81,838 (USD 2,500)	$ -	Not exceeding 5.0%	Short-Term Financing	$ -	capital expenditure and operational turnover	$ -	None	$ -	$ 1,090,123	$ 1,090,123	

Note: According to the Company's Procedures for Regulations Governing Loaning of Funds:

1. The total amount available for loan to others shall not exceed 40% of the net worth of the Company as stated in the most recent financial statement.

2. In loaning funds to a subsidiary where the Company holds less than 50% of its common shares directly or indirectly, the aggregate amount of loans and the maximum amount permitted to such a single subsidiary shall not exceed 5% of the net worth of the Company as stated in the most recent financial statement. For a subsidiary where the Company holds more than 50% of its common shares directly or indirectly, the aforementioned restriction shall not be applicable; however, the aggregate amount of loans and the maximum amount permitted to such a single subsidiary shall not exceed 40% of the net worth of the Company as stated in the most recent financial statement.

3. Unless otherwise specified in the previous section, in loaning funds to a company or proprietor where the Company has business transactions, the aggregate amount of loans and the maximum amount permitted to such a single company shall not exceed 5% of the Company’s net worth as stated in the most recent financial statement, and the maximum amount permitted to such a single company shall not exceed the total amount of business transactions with such a borrower in one year. In loaning funds to a company or proprietor where short-term financing is needed, the aggregate amount of loans and the maximum amount permitted to such a single company shall not exceed 5% of the Company’s net worth as stated in the most recent financial statement.

4. Loaning funds between overseas companies in which the Company’s directly and indirectly holds 100% of the voting shares or loaning funds to the Company from a foreign company in which the Company’s directly and indirectly holds 100% of the voting shares is not limited to 40% of lender’s net worth as stated in its most recent financial statements

TABLE 2

SILITECH TECHNOLOGY CORPORATION

MARKETABLE SECURITIES HELD
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Name of Held Company	Type and Name of Marketable Securities	Relationship with the Held Company	Financial Statement Account	December 31, 2024				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
Silitech Technology Corporation	Ordinary shares							
	Chi Mei Mold Co., Ltd.	-	Financial assets at FVTOCI- non-current	1,300	$ 8,880	3.25	$ 8,880	
	RTR-TECH Technology Co., Ltd.	-	〃	6,820	-	9.46	-	
	Walsin New Energy Corporation	Supervisor	〃	500	4,559	10.00	4,559	
	Fubon Financial Holding Co., Ltd. Preferred Shares C	-	〃	640	34,048	0.04	34,048	
	Hotai Finance Co., Ltd. Preferred Shares B	-	〃	1,000	96,400	1.00	96,400	
	Limited Partnership							
	NEXUS CVC Partners Fund LP	-	Financial assets at FVTPL- non-current	-	49,226		49,226	
	Corporate bond							
	BMW US CAPITAL LLC	-	Financial assets at amortized cost- non-current	-	19,221		-	
	Cathay Life Insurance Company, Ltd.	-	〃	-	16,354		-	

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2024			Net Income (Losses) of the Investee	Share of Profits/(Losses) of Investee	Note
				December 31, 2024	December 31, 2023	Number of Shares	Percentage of Ownership (%)	Carrying Value			
Silitech Technology Corporation	Silitech (BVI) Holding Ltd.	British Virgin Islands	Investment activities	US$ 29,028	US$ 29,028	29,028,390	100	$ 1,322,915	(US$ 1,544)	($ 49,558)	Subsidiary
	Silitech Technology Corporation Sdn. Bhd.	Malaysia	Manufacture of computer peripheral products	US$ 23,154	US$ 23,154	21,400,000	100	937,682	MYR 10,535	73,820	Subsidiary
	Silitech Electronics Sdn. Bhd.	Malaysia	Manufacture of telecommunications and communications equipment	US$ 3,018	US$ 3,018	40,000,000	100	81,491	(US$ 758)	(12,543)	Subsidiary

Note 1: Refer to Table 4 for information on investments in mainland China.

TABLE 4

SILITECH TECHNOLOGY CORPORATION

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investments from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investments from Taiwan as of December 31, 2024	Net Income (Losses) of the Investee Company	Percentage of Ownership (%)	Share of Profits/(Losses) (Note 2)	Carrying Amount as of December 31, 2024	Accumulated Inward Remittance of Earnings as of December 31, 2024	Note
					Outflow	Inflow							
Xurong Electronic (Shenzhen) Co., Ltd.	Manufacture of touch panels and plastic and rubber assemblies	$ 91,658 (US$ 2,800)	Note 1	$ 203,354	$ -	$ -	$ 203,354	$ (92,644) (RMB -20,800)	100	$ (92,644) (RMB -20,800)	$ 51,136 (RMB 11,386)	$ 4,253,036 (US$ 122,919) (RMB 71,822)	
Silitech Technology (Suzhou) Co., Ltd.	Manufacture and sale of automotive parts	-	Note 1	1,145,725 (US$ 35,000)	-	-	1,145,725 (US$ 35,000)	-	-	-	-	1,238,117 (US$ 8,796) (RMB 214,783)	Note 6

Accumulated Investments in Mainland China as of December 31,2024	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on Investment
$ 1,447,284 (Note 4) (US$ 38,000) (NT$ 203,354)	$ 1,607,849 (Note 4) (US$ 42,905) (NT$ 203,354)	$7,126,337 (Note 3)

Note 1: Indirect investment in mainland China through holding companies

Note 2: The financial statements used as basis for calculating the investment amounts were audited by the independent auditors.

Note 3: The Company's upper limit on investments in China (calculated based on the higher of 60% of Silitech Technology Corporation's net worth or consolidated net worth of $80 million, plus accumulated inward remittance of share capital or earnings from subsidiaries in mainland China): $2,725,307 (net worth) × 60% + $5,491,153 = $7,126,337。

Note 4: Investment amounts approved by the Ministry of Economic Affairs, ROC are as follows:

Name of Investee	Order No.	Approved Amounts
Xurong Electronic (Shenzhen) Co., Ltd.	091030841	NT$ 203,354
Silitech Electronic (Changshu) Ltd. (liquidated in October 2010)	093032599	US$ 3,000
Silitech Technology (Suzhou) Co., Ltd. (liquidated in January 2020) (Note 6)	10930007090	US$ (43,000)
Silitech Technology (Suzhou) Co., Ltd. (liquidated in January 2020) (Note 6)	09600170390	US$ 20,000
Silitech Technology (Suzhou) Co., Ltd. (liquidated in January 2020) (Note 6)	09600164790	US$ 2,000
Silitech Technology (Suzhou) Co., Ltd. (liquidated in January 2020) (Note 6)	09500326290	US$ 11,000
Silitech Technology (Suzhou) Co., Ltd. (liquidated in January 2020) (Note 6)	09700434630	US$ 45,000
Silitech Plating (Shenzhen) Co., Ltd. (liquidated in September 2012)	09500004400	US$ 605
Suzhou Xulong Mold Producing Co., Ltd. (liquidated in May 2018) (Notes 5 and 7)	09700063560	US$ 1,200
Suzhou Xulong Mold Producing Co., Ltd. (liquidated in May 2018) (Notes 5 and 7)	10000321080	US$ 1,500
Silitech Surface Treatment (Shenzhen) Co., Ltd. (liquidated in December 2012)	09900449200	US$ 1,600

Note 5: Including accumulated investment of US$2,700 thousand which is not from Taiwan (ROC).

Note 6: Silitech Technology (Suzhou) Co., Ltd. was dissolved after liquidation in January 2020. The share capital of RMB21,720 thousand was remitted to Silitech (Bermuda) Holding Ltd.

Note 7: Suzhou Xulong Mold Producing Co., Ltd. was dissolved after liquidation in May 2018. The share capital of US$58 thousand was remitted to Silitech Technology Corporation Limited and was approved on June 25, 2018 by Order No. 10730038150.

TABLE 5

SILITECH TECHNOLOGY CORPORATION

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized
		Amount	Percentage (%)		Payment Terms	Comparison with Normal Transactions	Ending Balance	Percentage (%)	
Xurong Electronic (Shenzhen) Co., Ltd.	Purchase	$ 16,834	2	No significant difference	90 days	90-120 days	$ (7,761)	3	$ 205

TABLE 6

SILITECH TECHNOLOGY CORPORATION

INFORMATION ON MAJOR SHAREHOLDERS
DECEMBER 31, 2024

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Walsin Technology Corporation	17,000,000	25.00
Lite-On Technology Corporation	11,707,548	17.21

Note: The information on the major shareholder listed in the table above is based on the total number of ordinary and preference shares (including treasury shares) owned by the shareholder at a minimum shareholding percentage of 5%, and which have been delivered as non-physical securities to the Taiwan Depository & Clearing Corporation on the last business day at the end of the quarter. The actual number of shares delivered as non-physical securities and the number of shares recorded in the Company's financial statements may be different due to differences in the basis of preparation and calculation.

SILITECH TECHNOLOGY CORPORATION

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

SILITECH TECHNOLOGY CORPORATION

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Items	Period	Annual Rate (%)	Amounts
Cash on hand			$ 55
Cash in banks			
Checking accounts			1
Demand deposits (Note)			67,859
Fixed Deposit			15,000
			$ 82,915

Note: Includes US$17 thousand at $32.735, JPY78 thousand at $0.2120, RMB100 thousand at $4.4916 and EUR264 thousand at $34.0313.

SILITECH TECHNOLOGY CORPORATION

STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Client Name	Amount
Customer A	$ 185,027
Customer B	36,860
Others (Note)	17,909
	239,796
Less: Allowance for doubtful accounts	(1)
	$ 239,795

Note: The amount of individual client included in others does not exceed 5% of the account balance.

SILITECH TECHNOLOGY CORPORATION

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Balance, January 1, 2024		Additions in Investment		Decrease in Investment			Balance, December 31, 2024				
Investees	**Number of Shares**	**Amount**	**Number of Shares**	**Amount (Note1)**	**Number of Shares**	**Amount (Note2)**	**Net Income (Losses) of the Investee**	**Number of Shares**	**Percentage of Ownership (%)**	**Amount**	**Market Value or Net Assets Value**	**Collateral**
Unlisted												
Silitech (BVI) Holding Ltd.	29,028,390	$ 1,291,690	-	$ 80,783	-	-	($ 49,558)	29,028,390	100	$ 1,322,915	$ 1,322,915	None
Silitech Technology Corporation Sdn. Bhd.	21,400,000	784,418	-	79,444	-	-	73,820	21,400,000	100	937,682	937,682	None
Silitech Electronics Sdn. Bhd.	40,000,000	88,330	-	5,704	-	-	(12,543)	40,000,000	100	81,491	81,491	None
		$ 2,164,438		$ 165,931		$ -	$ 11,719			$ 2,342,088	$ 2,342,088	None

Note1: Increase in the current period:

(1)The effects of foreign currency exchange differences and unrealized sales gross profit of Silitech (BVI) Holding Ltd. were $80,789 thousand and $(6) thousand

(2)The net defined benefit liabilities and effects of foreign currency exchange differences of Silitech Technology Corporation Sdn. Bhd. were $45 thousand and $79,399 thousand.

(3)The effects of foreign currency exchange differences of Silitech Electronics Sdn. Bhd. was $5,704 thousand.

STATEMENT 4

SILITECH TECHNOLOGY CORPORATION

STATEMENT OF NET REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Shipments (In Thousands of Pieces)	Amount
Sales of goods	11,989	$1,100,015
Management service revenue	-	39,469
		1,139,484
Less: Sales returns		-
Allowance for sales		-
		$1,139,484

STATEMENT 5

SILITECH TECHNOLOGY CORPORATION

STATEMENT OF COST OF GOODS SOLD
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Amount
Raw materials balance, beginning of year	$ 66,733
Add: Purchases, net	650,003
Others	2
Less: Raw materials balance, end of year	(61,056)
Sales of raw materials	(2,634)
Raw materials scrapped	(32)
Others	(527)
Raw materials consumed (1)	652,489
Direct labor (2)	177,706
Manufacturing expenses (3)	121,603
Manufacturing cost (1) + (2) + (3)	951,798
Add: Work-in-progress, beginning of year	31,627
Others	2,308
Less: Work-in-progress, end of year	(44,360)
Sales of work-in-progress	(272)
Others	(209)
Cost of finished goods	940,892
Add: Finished goods, beginning of year	27,459
Less: Finished goods, end of year	(12,966)
Others	(2,580)
Cost of goods sold for manufacturing sector	952,805
Merchandise balance, beginning of year	537
Add: Purchases	17,166
Less: Merchandise balance, end of year	(1,718)
Cost of goods sold for merchandising sector	15,985
Other cost of goods sold	
Add: Sales of raw materials	2,634
Sales of supplies	170
Sales of work-in-progress	272
Loss on inventory scrapped	32
	$ 971,898

SILITECH TECHNOLOGY CORPORATION

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Selling and Marketing Expenses	General and Administrative Expenses	Research and Development Expenses	Gain on Reversal of Expected Credit Loss	Total
Payroll and related expenses	$ 12,605	$ 41,669	$ 7,878	$ -	$ 62,152
Service fee	-	12,266	141	-	12,407
Insurance expenses	1,252	4,032	707	-	5,991
Repair and maintenance expenses	-	6,532	48	-	6,580
Depreciation	-	4,573	398	-	4,971
Shipping fees	1,869	35	1	-	1,905
Others (Note)	3,842	22,096	3,448	-	29,386
	$ 19,568	$ 91,203	$ 12,621	$ -	$ 123,392

Note: The amount of each item in others does not exceed 5% of the account balance.

SILITECH TECHNOLOGY CORPORATION

STATEMENT OF LABOR, DEPRECIATION AND AMORTIZATION BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024			2023		
	Classified as Cost of Goods Sold	**Classified as Operating Expenses**	**Total**	**Classified as Cost of Goods Sold**	**Classified as Operating Expenses**	**Total**
Labor cost						
Salary	$ 187,676	$ 58,078	$ 245,754	$ 130,502	$ 58,647	$ 189,149
Labor and health insurance	18,179	4,784	22,963	13,388	5,352	18,740
Pension	6,149	2,894	9,043	4,959	3,070	8,029
Board compensation	-	4,074	4,074	-	6,809	6,809
Food stipend	13,782	2,709	16,491	9,285	2,514	11,799
Employee benefits	1,532	211	1,743	1,013	203	1,216
Others	3,347	1,077	4,424	2,337	1,339	3,676
	$ 230,665	$ 73,827	$ 304,492	$ 161,484	$ 77,934	$ 239,418
Depreciation	$ 8,871	$ 4,971	$ 13,842	$ 10,345	$ 5,090	$ 15,435
Amortization	$ 250	$ 1,650	$ 1,900	$ 167	$ 2,957	$ 3,124

Note:

1. As of December 31, 2024 and 2023, the Company had 424 and 344 employees, respectively. Among them 7 directors did not serve concurrently as employees for both years.

2. a. For the years ended December 31, 2024 and 2023, the average labor cost was $720 thousand and $690 thousand, respectively.

   b. For the years ended December 31, 2024 and 2023, the average salary was $589 thousand and $561 thousand, respectively.

   c. The change in average salary was 5%.

   d. The Company has set up independent directors; therefore, there were no supervisors for the years ended December 31, 2024 and 2023.

   e. The Company's policy for remuneration of directors, independent directors, managers, and employees is as follows:

      1) Directors' and independent directors' remuneration is handled in accordance with the Company's Articles of Incorporation and the Procedures for Directors' Remuneration.

      2) According to the Regulations for Mangers Remuneration, the remuneration paid to managers is decided based on company performance, department performance, and personal performance and refers to industry norms.

      3) The compensation paid to employees is decided based on the employee salary regulations.

      4) The remuneration paid to directors and managers is evaluated and made by the remuneration committee regularly.