

Silitech Technology Corporation and Subsidiaries

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

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2024 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard No. 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

SILITECH TECHNOLOGY CORPORATION

By

ANTHONY CHIAO
Chairman

February 20, 2025

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Silitech Technology Corporation

Opinion

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

In our opinion, based on our audits and the report of other auditors (refer to the Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated 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 Group's consolidated financial statements for the year ended December 31, 2024 are described as follows:

Occurrence of revenue from specific customers

The major operating revenue of the Group 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

We did not audit the subsidiary's financial statements of Silitech Electronics Sdn. Bhd.(formerly Iwatsu (Malaysia) Sdn. Bhd.) in the consolidated financial statements of the Group, but such financial statements were audited by other auditors. Our opinion, insofar as it relates to the amounts for Silitech Electronics Sdn. Bhd.(formerly Iwatsu (Malaysia) Sdn. Bhd.) is based solely on the report of other auditors. As of December 31, 2024 and 2023, the amounts of total assets of Silitech Electronics Sdn. Bhd.(formerly Iwatsu (Malaysia) Sdn. Bhd.) were NT\$151,136 thousand and NT\$159,921 thousand, representing 4.17% and 4.76% of the consolidated total assets; for the years ended December 31, 2024 and September 1, 2023 (acquisition date) to December 31, 2023, the amounts of net operating revenue were NT\$135,176 thousand and NT\$57,010 thousand, representing 5.60% and 2.74% of the consolidated operating revenue.

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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 consolidated financial statements are intended only to present the consolidated 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 consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated 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 consolidated financial statements shall prevail.

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED 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)	\$ 777,477	22	\$ 628,836	19
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	-	-	3,109	-
Financial assets at amortized cost - current (Notes 4 and 9)	167,783	5	118,086	4
Trade receivables, net (Notes 4 and 10)	517,332	14	479,336	14
Trade receivables from related parties, net (Notes 4, 10 and 30)	712	-	491	-
Other receivables (Note 4)	49,410	1	29,550	1
Other receivables from related parties (Notes 4 and 30)	9,468	-	3,531	-
Current tax assets (Note 4)	153	-	212	-
Inventories (Notes 4 and 11)	255,925	7	273,749	8
Other current assets (Notes 16 and 30)	<u>42,473</u>	<u>1</u>	<u>40,527</u>	<u>1</u>
Total current assets	<u>1,820,733</u>	<u>50</u>	<u>1,577,427</u>	<u>47</u>
NON-CURRENT ASSETS				
Financial assets at FVTPL - non-current (Notes 4 and 7)	56,003	2	36,967	1
Financial assets at fair value through other comprehensive income (FVTOCI)-non-current (Notes 4 and 8)	143,887	4	144,060	4
Financial assets at amortized cost - non-current (Notes 4 and 9)	1,011,430	28	1,076,632	32
Investments accounted for using the equity method (Notes 4 and 12)	46,370	1	-	-
Property, plant and equipment (Notes 4 and 14)	445,623	12	401,054	12
Right-of-use assets (Notes 4 and 15)	54,173	2	223	-
Other Intangible assets (Note 4)	1,875	-	4,243	-
Deferred tax assets (Notes 4 and 24)	38,784	1	78,594	3
Refundable deposits (Note 4)	6,899	-	6,918	-
Other non-current assets (Note 16)	<u>1,922</u>	<u>-</u>	<u>32,071</u>	<u>1</u>
Total non-current assets	<u>1,806,966</u>	<u>50</u>	<u>1,780,762</u>	<u>53</u>
TOTAL	<u>\$ 3,627,699</u>	<u>100</u>	<u>\$ 3,358,189</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Sort-term borrowings (Notes 4 and 17)	\$ 15,475	-	\$ 43,328	1
Trade payables (Note 4)	350,939	10	305,529	9
Trade payables to related parties (Note 30)	26,560	1	13,469	-
Other payables (Notes 4 and 18)	318,076	9	244,120	7
Other payables to related parties (Notes 4 and 30)	559	-	535	-
Current tax liabilities (Notes 4 and 24)	11,360	-	14,048	1
Provisions - current (Notes 4 and 19)	16,200	-	19,237	1
Lease liabilities - current (Notes 4 and 15)	27,046	1	231	-
Other current liabilities	<u>36,426</u>	<u>1</u>	<u>31,072</u>	<u>1</u>
Total current liabilities	<u>802,641</u>	<u>22</u>	<u>671,569</u>	<u>20</u>
NON-CURRENT LIABILITIES				
Lease liabilities - non-current (Notes 4 and 15)	28,265	1	-	-
Net defined benefit liabilities - non-current (Notes 4 and 20)	34,111	1	32,377	1
Guarantee deposits (Note 4)	1,206	-	1,195	-
Deferred tax liabilities (Notes 4 and 22)	<u>36,169</u>	<u>1</u>	<u>36,067</u>	<u>1</u>
Total non-current liabilities	<u>99,751</u>	<u>3</u>	<u>69,639</u>	<u>2</u>
Total liabilities	<u>902,392</u>	<u>25</u>	<u>741,208</u>	<u>22</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 21)				
Share capital				
Ordinary shares	<u>680,000</u>	<u>19</u>	<u>680,000</u>	<u>20</u>
Capital surplus	<u>630,074</u>	<u>17</u>	<u>630,074</u>	<u>19</u>
Retained earnings				
Legal reserve	1,120,368	31	1,120,368	33
Special reserve	306,131	8	206,863	6
Unappropriated earnings	<u>162,325</u>	<u>5</u>	<u>285,807</u>	<u>9</u>
Total retained earnings	<u>1,588,824</u>	<u>44</u>	<u>1,613,038</u>	<u>48</u>
Other equity	<u>(173,591)</u>	<u>(5)</u>	<u>(306,131)</u>	<u>(9)</u>
Total equity	<u>2,725,307</u>	<u>75</u>	<u>2,616,981</u>	<u>78</u>
TOTAL	<u>\$ 3,627,699</u>	<u>100</u>	<u>\$ 3,358,189</u>	<u>100</u>

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

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED 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, 22 and 30)	\$ 2,414,203	100	\$ 2,084,426	100
COST OF GOODS SOLD (Notes 11, 26 and 30)	<u>(2,133,582)</u>	<u>(88)</u>	<u>(1,755,022)</u>	<u>(84)</u>
GROSS PROFIT	<u>280,621</u>	<u>12</u>	<u>329,404</u>	<u>16</u>
OPERATING EXPENSES (Notes 26 and 30)				
Selling and marketing expenses	(63,302)	(3)	(63,915)	(3)
General and administrative expenses	(167,467)	(7)	(144,928)	(7)
Research and development expenses	(35,876)	(2)	(39,935)	(2)
Expected credit loss	<u>(308)</u>	<u>-</u>	<u>(10)</u>	<u>-</u>
Total operating expenses	<u>(266,953)</u>	<u>(12)</u>	<u>(248,788)</u>	<u>(12)</u>
PROFIT FROM OPERATIONS	<u>13,668</u>	<u>-</u>	<u>80,616</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES (Note 23)				
Gain arising from derecognition of financial assets at amortized cost	11	-	-	-
Interest income	63,524	2	56,242	3
Other income	17,802	1	32,928	1
Other gains and losses	(4,975)	-	1,573	-
Finance costs	(2,900)	-	(733)	-
Expected credit loss	(382)	-	(761)	-
Share of profit of associates accounted for using the equity method	<u>264</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating income and expenses	<u>73,344</u>	<u>3</u>	<u>89,249</u>	<u>4</u>
PROFIT BEFORE INCOME TAX	87,012	3	169,865	8
INCOME TAX EXPENSE (Notes 4 and 24)	<u>(31,934)</u>	<u>(1)</u>	<u>(50,537)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>55,078</u>	<u>2</u>	<u>119,328</u>	<u>6</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 20)	2,888	-	(394)	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(173)	-	(6,004)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 24)	<u>(580)</u>	<u>-</u>	<u>94</u>	<u>-</u>
	<u>2,135</u>	<u>-</u>	<u>(6,304)</u>	<u>-</u>

(Continued)

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED 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	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	165,891	7	(39,577)	(2)
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 24)	<u>(33,178)</u>	<u>(1)</u>	<u>7,915</u>	<u>-</u>
	<u>132,713</u>	<u>6</u>	<u>(31,662)</u>	<u>(2)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>134,848</u>	<u>6</u>	<u>(37,966)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 189,926</u>	<u>8</u>	<u>\$ 81,362</u>	<u>4</u>
EARNINGS PER SHARE (IN NTD; Note 25)				
Basic	<u>\$ 0.81</u>		<u>\$ 1.75</u>	
Diluted	<u>\$ 0.81</u>		<u>\$ 1.75</u>	

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

(Concluded)

(With Deloitte & Touche auditors' report date February 20, 2025)

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	Share Capital		Capital Surplus	Retained Earnings			Other Equity		Total Equity
	Ordinary Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Loss on Financial Asset at FVTOCI	
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 consolidated financial statements.
(With Deloitte & Touche auditors' report dated February 20, 2025)

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED 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	\$ 87,012	\$ 169,865
Adjustments for:		
Depreciation expense	83,876	75,376
Amortization expense	3,989	4,501
Expected credit loss on trade receivables	690	771
Net loss on fair value changes of financial assets at FVTPL	6,441	12,445
Finance costs	2,900	733
Gain arising from derecognition of financial assets at amortized cost	(11)	-
Interest income	(63,524)	(56,242)
Dividend income	(7,337)	(3,327)
Share of profit of associates for using the equity method	(264)	-
Net gain on disposal of property, plant and equipment	(1,132)	(90)
Write-downs of inventories	2,624	1,228
Gain recognized in bargain purchase transaction	-	(2,027)
Gain on lease modification	-	(10)
Changes in operating assets and liabilities		
Financial assets at FVTPL	233	(4,906)
Trade receivables	(38,304)	(22,398)
Trade receivables from related parties	(221)	858
Other receivables	(17,222)	8,913
Other receivables from related parties	(5,937)	7,823
Inventories	15,200	(1,108)
Other current assets	(1,946)	4,272
Trade payables	45,410	22,549
Trade payables to related parties	13,091	(11,387)
Other payables	76,425	(39,724)
Other payables to related parties	24	(2,012)
Provisions	(3,037)	(4,313)
Other current liabilities	5,354	(10,487)
Net defined benefit liabilities-non current	4,622	135
Cash generated from operations	208,956	151,438
Interest received	57,947	44,437
Dividends received	7,337	3,327
Interest paid	(2,900)	(733)
Income tax paid	(26,754)	(32,242)
Net cash generated from operating activities	244,586	166,227
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at FVTOCI	-	(105,000)
Purchase of financial assets at amortized cost	(46,534)	(876,222)
Proceeds from financial assets at amortized cost	133,828	-
Purchase of financial assets at FVTPL	(36,889)	(280,788)
Proceeds of financial assets at FVTPL	15,109	253,655

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SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	2024	2023
Acquisition of long-term investment for using the equity method	\$ (46,797)	\$ -
Net cash outflow on acquisition of subsidiaries	-	(56,756)
Payments for property, plant and equipment	(78,420)	(40,776)
Proceeds from disposal of property, plant and equipment	6,296	90
Decrease in refundable deposits	19	195
Payments for intangible assets	(720)	(1,693)
Decrease (increase) in other non-current assets	<u>31,871</u>	<u>(27,100)</u>
Net cash used in investing activities	<u>(22,237)</u>	<u>(1,134,395)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term loan	(26,924)	43,328
Proceeds from guarantee deposits received	11	3
Repayment of principal portion of lease liabilities	(25,720)	(27,086)
Cash dividends paid	<u>(81,600)</u>	<u>(40,800)</u>
Net cash used in financing activities	<u>(134,233)</u>	<u>(24,555)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>60,525</u>	<u>(14,064)</u>
NET INCREASE (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	148,641	(1,006,787)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>628,836</u>	<u>1,635,623</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 777,477</u>	<u>\$ 628,836</u>

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

(Concluded)

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (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 consolidated financial statements of the Company and its subsidiaries, hereto forth collectively referred to as the Group, are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated 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 consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated 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.

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 Group 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. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of the subsidiaries acquired or disposed of during the period are included in the consolidated statements of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to

the owners of the Company.

See Note 13 and Table 4 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, and the fair value of the acquirer's previously held interests in the acquiree, the excess is recognized immediately in profit or loss as a bargain purchase gain.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

f. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity'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 consolidated 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 that operation attributable to the owners of the Company are reclassified to profit or loss.

g. 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.

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, right-of-use asset, intangible assets and assets related to contract costs

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset 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 Group 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 the Group 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 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 29.

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 Group 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 Group'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 Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost including trade receivables.

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group 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 Group 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 Group 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 Group 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 Group 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 Group 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.

I. 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 Group 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 Group assesses whether the contract is, or contains, a lease.

1) The Group 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 Group as lessee

The Group 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 consolidated 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 Group 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 Group 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 consolidated balance sheets.

o. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

p. 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 Group'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.

q. 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 and interests in joint arrangements, except where the Group 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 Group 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 Group'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 Group 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 Group's management, the accounting policies, estimates, and assumptions adopted by the Group have not been subject to material accounting judgements, estimates and assumptions uncertainty.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	2023
Cash on hand	\$ 151	\$ 238
Checking accounts and demand deposits	242,084	204,168
Cash equivalents		
Time deposits	<u>535,242</u>	<u>424,430</u>
	<u>\$ 777,477</u>	<u>\$ 628,836</u>

The market rate intervals of cash in the bank at the end of the reporting period were as follows:

	December 31	
	2024	2023
Time deposits	1.225%-4.694%	1.55%-5.05%

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

	December 31	
	2024	2023
<u>Financial assets at FVTPL - current</u>		
Financial assets held for trading		
Derivative financial assets (not under hedge accounting)		
Forward exchange contracts	\$ -	\$ 241
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Mutual funds	<u>-</u>	<u>2,868</u>
	<u>\$ -</u>	<u>\$ 3,109</u>
<u>Financial assets at FVTPL - non-current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Mutual funds	\$ 6,777	\$ 12,162
Limited partnership	<u>49,226</u>	<u>24,805</u>
	<u>\$ 56,003</u>	<u>\$ 36,967</u>

At the end of the reporting period, outstanding forward exchange contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>December 31, 2023</u>			
Forward exchange contracts	USD/MYR	2024.01.08	USD298/MYR1,398

The Group entered into forward exchange contracts to manage their exposures to risk arising from the exchange rate fluctuations of foreign currency denominated assets and liabilities.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (“FVTOCI”)

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

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
<u>Current</u>		
Time deposits with original maturities of more than 3 months (a)	\$ -	\$ 118,086
Foreign corporate bond (b)	167,898	-
Less: Allowance for impairment loss	<u>(115)</u>	<u>-</u>
	<u>\$ 167,783</u>	<u>\$ 118,086</u>
<u>Non-current</u>		
Time deposits with original maturities of more than 3 months (a)	\$ 44,912	\$ 43,254
Foreign corporate bond (b)	967,590	1,034,123
Less: Allowance for impairment loss	<u>(1,072)</u>	<u>(745)</u>
	<u>\$1,011,430</u>	<u>\$1,076,632</u>

- As of December 31, 2024 and 2023, the interest rate intervals of time deposits with original maturity dates of more than 3 months were 3.10% and 1.04% to 4.60%, respectively.
- The Group purchased 2~10 year corporate bonds, with the maturity period from 2025 to 2034, the coupon rate was 1.25% to 6.02%, and the effective interest rate was 1.08%~5.80%.

The Group’s exposure and the external credit ratings are continuously monitored. The Group 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 Group 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
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 518,378	\$ 479,848
Less: Allowance for impairment loss	<u>(334)</u>	<u>(21)</u>
	<u>\$ 518,044</u>	<u>\$ 479,827</u>

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 credit approvals and carried out other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group 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 Group's credit risk was significantly reduced.

The Group 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 Group'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 Group's different customer base.

The Group 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 Group 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 Group's provision matrix.

December 31, 2024

	Not Past Due	Up to 60 Days	61 to 210 Days	Over 210 Days	Total
Expected credit loss rate	-	0.41%	68.50%	-	-
Gross carrying amount	\$ 515,493	\$ 2,412	\$ 473	\$ -	\$ 518,378
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(10)</u>	<u>(324)</u>	<u>-</u>	<u>(334)</u>
Amortized cost	<u>\$ 515,493</u>	<u>\$ 2,402</u>	<u>\$ 149</u>	<u>\$ -</u>	<u>\$ 518,044</u>

December 31, 2023

	Not Past Due	Up to 60 Days	61 to 210 Days	Over 210 Days	Total
Expected credit loss rate	-	0.67%	-	-	-
Gross carrying amount	\$ 476,695	\$ 3,153	\$ -	\$ -	\$ 479,848
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(21)</u>	<u>-</u>	<u>-</u>	<u>(21)</u>
Amortized cost	<u>\$ 476,695</u>	<u>\$ 3,132</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 479,827</u>

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

	2024	2023
Balance at January 1	\$ 21	\$ 12
Add: Expected credit loss	308	10
Difference on foreign exchange translation	5	(1)
Balance at December 31	<u>\$ 334</u>	<u>\$ 21</u>

11. INVENTORIES, NET

	December 31	
	2024	2023
Raw materials	\$ 121,755	\$ 131,367
Finished goods	47,886	72,755
Work in progress	76,045	59,009
Supplies	2,935	3,728
Merchandise	-	27
Inventory in transit	7,304	6,863
	<u>\$ 255,925</u>	<u>\$ 273,749</u>

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	\$ 2,624	\$ 1,228
Loss of inventory scrapped	32	11

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2024	2023
Associates that are not individually material		
PSA Japan Investment G.K.	<u>\$ 46,370</u>	<u>\$ -</u>

The Group acquired 3% equity of PSA Japan Investment G.K., an associates that are not individually material, for JPY 217,500,000 in April 2024. The Group holds less than 20% of PSA Japan Investment G.K., but the equity method was used because of the Group's significant influence on it.

13. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Main Business	Percentage of Ownership (%)		Remark
			December 31, 2024	December 31, 2023	
The Company	Silitech (BVI) Holding Ltd.	Investment activities	100	100	
The Company	Silitech Technology Corp. Sdn. Bhd.	Manufacture of plastic and computer peripheral	100	100	a
The Company	Silitech Electronics Sdn. Bhd. (Formerly Iwatsu (Malaysia) Sdn. Bhd.)	Manufacture of telecommunications and communications equipment	100	100	b 、 c
Silitech (BVI) Holding Ltd	Silitech (Bermuda) Holding Ltd.	Investment activities	100	100	
Silitech (Bermuda) Holding Ltd.	Silitech Technology Corporation Limited	Manufacture of plastic and computer peripheral products	100	100	
Silitech Technology Corporation Limited	Xurong Electronic (Shenzhen) Co., Ltd.	Manufacture and sale of touch panels and plastic and rubber assembly	100	100	

Remark:

- The Group adjusted the organization structure in January 2023, and the parent company acquired 100% equity of Silitech Technology Corporation Sdn. Bhd. from Silitech (Bermuda) Holding Ltd. The aforementioned transaction was an organizational restructuring under common control, and the book-value method is applied in the transaction.
- The parent company acquired 100% equity of Iwatsu (Malaysia) Sdn. Bhd. in September 2023, see Note 27.
- Iwatsu (Malaysia) Sdn. Bhd. changed the company name to Silitech Electronics Sdn. Bhd. on April 08, 2024.

Subsidiaries Excluded from the Consolidated Financial Statements: None.

14. PROPERTY, PLANT AND EQUIPMENT, NET

	Freehold Land	Buildings	Machinery Equipment	Testing Equipment	Transportation Equipment	Leasehold Improvements	Office Equipment	Other Equipment	Total
<u>Cost</u>									
Balance at January 1, 2024	\$ 222,141	\$ 440,646	\$ 768,369	\$ 93,489	\$ 13,495	\$ 138,159	\$ 121,036	\$ 23,489	\$ 1,820,824
Additions	-	459	56,701	3,275	3,394	-	10,223	1,598	75,650
Disposals	-	(1,427)	(310,514)	(19,106)	(30)	(116,343)	(18,013)	(7,373)	(472,806)
Effects of foreign currency exchange differences	19,459	22,730	44,290	3,413	848	4,327	4,452	706	100,225
Balance at December 31, 2024	<u>\$ 241,600</u>	<u>\$ 462,408</u>	<u>\$ 558,846</u>	<u>\$ 81,071</u>	<u>\$ 17,707</u>	<u>\$ 26,143</u>	<u>\$ 117,698</u>	<u>\$ 18,420</u>	<u>\$ 1,523,893</u>
<u>Accumulated depreciation</u>									
Balance at January 1, 2024	\$ -	\$ 340,491	\$ 606,319	\$ 78,288	\$ 10,253	\$ 92,846	\$ 110,697	\$ 20,811	\$ 1,259,705
Depreciation expenses	-	14,414	31,522	1,872	1,314	467	6,005	1,444	57,038
Disposals	-	(1,427)	(239,342)	(12,842)	(30)	(73,148)	(17,341)	(7,359)	(351,489)
Transfers from accumulated impairment	-	-	6,153	198	-	2,191	-	2	8,544
Effects of foreign currency exchange differences	-	16,870	36,694	2,936	590	2,971	4,133	582	64,776
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 370,348</u>	<u>\$ 441,346</u>	<u>\$ 70,452</u>	<u>\$ 12,127</u>	<u>\$ 25,327</u>	<u>\$ 103,494</u>	<u>\$ 15,480</u>	<u>\$ 1,038,574</u>
<u>Accumulated impairment</u>									
Balance at January 1, 2024	\$ -	\$ 13,364	\$ 88,808	\$ 13,138	\$ -	\$ 44,074	\$ 670	\$ 11	\$ 160,065
Disposals	-	-	(66,509)	(5,942)	-	(43,195)	(498)	(9)	(116,153)
Transfer to accumulated depreciation	-	-	(6,153)	(198)	-	(2,191)	-	(2)	(8,544)
Effects of foreign currency exchange differences	-	472	2,250	280	-	1,312	14	-	4,328
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 13,836</u>	<u>\$ 18,396</u>	<u>\$ 7,278</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 186</u>	<u>\$ -</u>	<u>\$ 39,696</u>
Net Balance at December 31, 2024	<u>\$ 241,600</u>	<u>\$ 78,224</u>	<u>\$ 99,104</u>	<u>\$ 3,341</u>	<u>\$ 5,580</u>	<u>\$ 816</u>	<u>\$ 14,018</u>	<u>\$ 2,940</u>	<u>\$ 445,623</u>
<u>Cost</u>									
Balance at January 1, 2023	\$ 198,838	\$ 313,146	\$ 686,073	\$ 94,371	\$ 9,463	\$ 139,634	\$ 105,376	\$ 14,451	\$ 1,561,352
Additions	-	1,650	34,619	761	831	1,393	5,540	881	45,675
Acquisition through business combinations	32,048	136,819	70,723	-	4,477	-	13,332	9,047	266,446
Disposals	-	-	(1,643)	(43)	(920)	-	(1,008)	(435)	(4,049)
Effects of foreign currency exchange differences	(8,745)	(10,969)	(21,403)	(1,600)	(356)	(2,868)	(2,204)	(455)	(48,600)
Balance at December 31, 2023	<u>\$ 222,141</u>	<u>\$ 440,646</u>	<u>\$ 768,369</u>	<u>\$ 93,489</u>	<u>\$ 13,495</u>	<u>\$ 138,159</u>	<u>\$ 121,036</u>	<u>\$ 23,489</u>	<u>\$ 1,820,824</u>
<u>Accumulated depreciation</u>									
Balance at January 1, 2023	\$ -	\$ 247,798	\$ 518,859	\$ 76,098	\$ 8,920	\$ 90,375	\$ 96,276	\$ 14,288	\$ 1,052,614
Acquisition through business combinations	-	89,517	66,978	-	2,081	-	10,901	6,987	176,464
Depreciation expenses	-	10,897	31,215	3,327	426	123	5,143	288	51,419
Disposals	-	-	(1,643)	(43)	(920)	-	(1,007)	(436)	(4,049)
Transfers from accumulated impairment	-	-	8,807	283	-	4,290	1,426	63	14,869
Effects of foreign currency exchange differences	-	(7,721)	(17,897)	(1,377)	(254)	(1,942)	(2,042)	(379)	(31,612)
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 340,491</u>	<u>\$ 606,319</u>	<u>\$ 78,288</u>	<u>\$ 10,253</u>	<u>\$ 92,846</u>	<u>\$ 110,697</u>	<u>\$ 20,811</u>	<u>\$ 1,259,705</u>
<u>Accumulated impairment</u>									
Balance at January 1, 2023	\$ -	\$ 64	\$ 99,122	\$ 13,599	\$ -	\$ 49,259	\$ 2,100	\$ 74	\$ 164,218
Acquisition through business combinations	-	13,801	-	-	-	-	-	-	13,801
Transfer to accumulated depreciation	-	-	(8,807)	(283)	-	(4,290)	(1,426)	(63)	(14,869)
Effects of foreign currency exchange differences	-	(501)	(1,507)	(178)	-	(895)	(4)	-	(3,085)
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 13,364</u>	<u>\$ 88,808</u>	<u>\$ 13,138</u>	<u>\$ -</u>	<u>\$ 44,074</u>	<u>\$ 670</u>	<u>\$ 11</u>	<u>\$ 160,065</u>
Net Balance at December 31, 2023	<u>\$ 222,141</u>	<u>\$ 86,791</u>	<u>\$ 73,242</u>	<u>\$ 2,063</u>	<u>\$ 3,242</u>	<u>\$ 1,239</u>	<u>\$ 9,669</u>	<u>\$ 2,667</u>	<u>\$ 401,054</u>

(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 Group 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 accumulated impairment losses recognized were \$39,696 thousand and \$160,065 thousand, respectively. For the year ended December 31, 2024, the impairment loss decreased due to the disposal of equipment amounting to \$116,153 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	24-45 years
Electricity and barrier constructions	5-10 years
Machinery equipment	5-10 years
Testing equipment	3-10 years
Transportation equipment	5 years
Leasehold Improvements	3 years
Office equipment	3 years
Other equipment	2 years

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2024	2023
<u>Carrying amounts</u>		
Buildings	\$ 53,999	\$ -
Machinery equipment	<u>174</u>	<u>223</u>
	<u>\$ 54,173</u>	<u>\$ 223</u>
	For the Year Ended December 31	
	2024	2023
<u>Depreciation charge for right-of-use assets</u>		
Buildings	\$ 26,776	\$ 23,937
Machinery equipment	<u>62</u>	<u>20</u>
	<u>\$ 26,838</u>	<u>\$ 23,957</u>
	For the Year Ended December 31	
	2024	2023
Additions for right-of-use assets	<u>\$ 78,767</u>	<u>\$ -</u>

b. Lease liabilities

	December 31	
	2024	2023
<u>Carrying amounts</u>		
Current	\$ 27,046	\$ 231
Non-current	<u>\$ 28,265</u>	<u>\$ -</u>

Range of discount rates for lease liabilities was as follows:

	December 31	
	2024	2023
Buildings	4.20%	-
Machinery equipment	5.00%	5.00%

c. Material lease activities and terms

The Group leased certain buildings for product manufacturing and for dormitories with lease terms of 3

years and with no renewal option. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	For the Year Ended December 31	
	2024	2023
Expenses relating to short-term leases and low-value asset leases	<u>\$ 2,611</u>	<u>\$ 2,537</u>
Total cash outflow for lease	<u>\$ 31,225</u>	<u>\$ 30,341</u>

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

16. OTHER ASSETS

	December 31	
	2024	2023
<u>Current</u>		
Prepayments for tax	\$ 21,402	\$ 20,042
Input tax	5,030	2,536
Payment in advance	1,005	1,546
Others	<u>15,036</u>	<u>16,403</u>
	<u>\$ 42,473</u>	<u>\$ 40,527</u>
<u>Non-current</u>		
Prepayments for equipment	\$ 1,204	\$ 31,399
Others	<u>718</u>	<u>672</u>
	<u>\$ 1,922</u>	<u>\$ 32,071</u>

17. BORROWINGS

	December 31	
	2024	2023
<u>Short-term borrowings</u>		
Unsecured borrowings	<u>\$ 15,475</u>	<u>\$ 43,328</u>

18. OTHER PAYABLES

	December 31	
	2024	2023
Payroll and Bonus	\$ 157,472	\$ 98,236
Employees' leave	21,278	19,316
Tooling	20,718	14,603
Services	9,182	9,965
Utilities/post and telecommunications	8,077	7,121
Equipment	3,929	6,264
Insurance	5,994	5,232
Others	<u>91,426</u>	<u>83,383</u>
	<u>\$ 318,076</u>	<u>\$ 244,120</u>

19. PROVISIONS

	December 31	
	2024	2023
Returns, allowances and warranties	\$ 16,200	\$ 19,237

The provision of customer returns, allowances and warranties was based on historical experience, management's judgments and other known reasons estimated product returns, allowances and warranties may occur in the year. The provision was recognized as cost of goods sold and a reduction of operating income in the year when the related goods were sold.

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company of the Group 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 of the Group 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 contribute 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 Group 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 Group 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 Group has no right to influence the investment policy and strategy.

The subsidiary - Silitech Technology Corp. Sdn. Bhd adopted the defined benefit plan.

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

	December 31	
	2024	2023
Present value of defined benefit obligation	\$ 41,612	\$ 38,537
Fair value of plan assets	(7,501)	(6,160)
Net defined benefit liabilities	\$ 34,111	\$ 32,377

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 December 31, 2023	\$ 40,121	\$ (8,273)	\$ 31,848
Service Cost			
Current service cost	1,460	-	1,460
Net interest expense (income)	1,274	(127)	1,147
Recognized in loss (profit)	2,734	(127)	2,607

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Remeasurement			
Return on plan assets	-	(83)	(83)
Actuarial gain - changes in demographic assumptions	(218)	-	(218)
Actuarial loss - changes in financial assumptions	880	-	880
Actuarial gain - experience adjustments	<u>(185)</u>	<u>-</u>	<u>(185)</u>
Recognized in other comprehensive income	<u>477</u>	<u>(83)</u>	<u>394</u>
Contributions from the employer	-	(1,377)	(1,377)
Benefits paid	(3,700)	3,700	-
Direct paid	(124)	-	(124)
Exchange differences on foreign plans	<u>(971)</u>	<u>-</u>	<u>(971)</u>
Balance at December 31, 2023	<u>\$ 38,537</u>	<u>\$ (6,160)</u>	<u>\$ 32,377</u>
Service Cost			
Current service cost	1,493	-	1,493
Net interest expense (income)	<u>1,263</u>	<u>(80)</u>	<u>1,183</u>
Recognized in loss (profit)	<u>2,756</u>	<u>(80)</u>	<u>2,676</u>
Remeasurement			
Return on plan assets	-	(817)	(817)
Actuarial gain - changes in demographic assumptions	(53)	-	(53)
Actuarial loss - changes in financial assumptions	599	-	599
Actuarial gain - experience adjustments	<u>(2,617)</u>	<u>-</u>	<u>(2,617)</u>
Recognized in other comprehensive income	<u>(2,071)</u>	<u>(817)</u>	<u>(2,888)</u>
Contributions from the employer	-	(444)	(444)
Direct paid	(65)	-	(65)
Exchange differences on foreign plans	<u>2,455</u>	<u>-</u>	<u>2,455</u>
Balance at December 31, 2024	<u>\$ 41,612</u>	<u>\$ (7,501)</u>	<u>\$ 34,111</u>

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	\$ 2,178	\$ 2,091
Selling and marketing expenses	127	133
General and administrative expenses	213	231
Research and development expenses	<u>158</u>	<u>152</u>
	<u>\$ 2,676</u>	<u>\$ 2,607</u>

Through the defined benefit plans under the Labor Standards Act, the Group 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)	1.50%-3.75%	1.25%-4.25%
Expected rate(s) of salary increase	2.75%-4.75%	3%-4.75%

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	\$ (864)	\$ (878)
0.25% decrease	\$ 892	\$ 908
Expected rate(s) of salary increase		
0.25% increase	\$ 871	\$ 887
0.25% decrease	\$ (848)	\$ (863)

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	8.8-11.0 years	10.1-11.2 years

21. 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 <u>cash dividends, or transferred to share capital</u>		
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 26 (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

22. REVENUE

According to IFRS 15, the type of customer contract revenue is identified as “product sales revenue”. The Company’s core technology is to integrate rubber, plastic, optical and other components, which are widely used in industries and products such as mechanical integration components and automotive components.

	For the Year Ended December 31	
	2024	2023
Customer contracts revenue		
Product operating revenue	<u>\$ 2,414,203</u>	<u>\$ 2,084,426</u>

23. NON-OPERATING INCOME AND EXPENSES

a. Interest income

	For the Year Ended December 31	
	2024	2023
Bank deposits	\$ 18,010	\$ 21,605
Financial assets at amortized cost	<u>45,514</u>	<u>34,637</u>
	<u>\$ 63,524</u>	<u>\$ 56,242</u>

b. Other income

	For the Year Ended December 31	
	2024	2023
Rental income	\$ 2,801	\$ 6,557
Dividends	7,337	3,327
Gain recognized in bargain purchase transaction (Note 27)	-	2,027
Others	<u>7,664</u>	<u>21,017</u>
	<u>\$ 17,802</u>	<u>\$ 32,928</u>

c. Other gains and losses

	For the Year Ended December 31	
	2024	2023
Gain on disposal of property, plant and equipment	\$ 1,132	\$ 90
Foreign currency exchange gain	788	17,127
Net loss on financial assets at FVTPL	(6,441)	(12,445)
Gain on lease modification	-	10
Others	<u>(454)</u>	<u>(3,209)</u>
	<u>\$ (4,975)</u>	<u>\$ 1,573</u>

d. Finance costs

	For the Year Ended December 31	
	2024	2023
Interest on lease liabilities	2,894	718
Interest on borrowings	<u>6</u>	<u>15</u>
	<u>\$ 2,900</u>	<u>\$ 733</u>

- e. Gain or loss on foreign currency exchange

	For the Year Ended December 31	
	2024	2023
Foreign exchange gain	\$ 30,342	\$ 53,494
Foreign exchange loss	<u>(29,554)</u>	<u>(36,367)</u>
Net foreign exchange gain	<u>\$ 788</u>	<u>\$ 17,127</u>

24. 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		
In respect of the current year	\$ 27,631	\$ 30,477
Surtax on unappropriated earnings	-	2,473
Adjustments for prior year	<u>(3,871)</u>	<u>323</u>
	<u>23,760</u>	<u>33,273</u>
Deferred tax		
In respect of the current year	<u>8,174</u>	<u>17,264</u>
Income tax expense recognized in profit or loss	<u>\$ 31,934</u>	<u>\$ 50,537</u>

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

	For the Year Ended December 31	
	2024	2023
Profit before income tax	<u>\$ 87,012</u>	<u>\$ 169,865</u>
Income tax expense calculated at the statutory rate	6,970	48,956
Nondeductible items in determining taxable income	1,761	1,359
Tax-exempt income	(539)	(819)
Surtax on unappropriated earnings	-	2,473
Unrecognized temporary differences	27,613	(1,755)
Adjustments for prior year	<u>(3,871)</u>	<u>323</u>
Income tax expense recognized in profit or loss	<u>\$ 31,934</u>	<u>\$ 50,537</u>

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

	For the Year Ended December 31	
	2024	2023
<u>Deferred tax</u>		
In respect of the current period:		
Translation of foreign operations	\$ (33,178)	\$ 7,915
Remeasurement on defined benefit plans	<u>(580)</u>	<u>94</u>
Income tax recognized in other comprehensive (loss) income	<u>\$ (33,758)</u>	<u>\$ 8,009</u>

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 Compre- hensive Income (Loss)	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Unrealized loss on inventories	\$ 1,510	\$ 298	\$ -	\$ 69	\$ 1,877
Unrealized exchange loss	347	(275)	-	-	72
Defined benefit obligation	9,554	560	(580)	589	10,123
Payables for annual leave	1,863	117	-	4	1,984
Loss carryforwards	12,428	(12,428)	-	-	-
Exchange differences on translation of the financial statements of foreign operations	39,330	-	(33,178)	-	6,152
Others	13,562	3,656	-	1,358	18,576
	<u>\$ 78,594</u>	<u>\$ (8,072)</u>	<u>\$ (33,758)</u>	<u>\$ 2,020</u>	<u>\$ 38,784</u>

Deferred tax liabilities

Temporary differences					
Unrealized exchange gain	\$ 136	\$ 102	\$ -	\$ -	\$ 238
Land value increment tax	9,477	-	-	-	9,477
Unappropriated earnings of subsidiaries	26,454	-	-	-	26,454
	<u>\$ 36,067</u>	<u>\$ 102</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,169</u>

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit (Loss)	Recognized in Other Compre- hensive Income (Loss)	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Unrealized loss on inventories	\$ 1,270	\$ 266	\$ -	\$ (26)	\$ 1,510
Unrealized exchange loss	72	275	-	-	347
Defined benefit obligation	9,205	488	94	(233)	9,554
Payables for annual leave	1,672	194	-	(3)	1,863
Loss carryforwards	21,803	(9,375)	-	-	12,428
Exchange differences on translation of the financial statements of foreign operations	31,415	-	7,915	-	39,330
Others	23,375	(9,208)	-	(605)	13,562
	<u>\$ 88,812</u>	<u>\$ (17,360)</u>	<u>\$ 8,009</u>	<u>\$ (867)</u>	<u>\$ 78,594</u>

Deferred tax liabilities

Temporary differences					
Unrealized exchange gain	\$ 232	\$ (96)	\$ -	\$ -	\$ 136
Land value increment tax	9,477	-	-	-	9,477
Unappropriated earnings of subsidiaries	26,454	-	-	-	26,454
	<u>\$ 36,163</u>	<u>\$ (96)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,067</u>

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

	December 31	
	2024	2023
Loss carryforwards		
Expiry in 2026	\$ 147,219	\$ 141,783
Expiry in 2027	140,224	135,651
Expiry in 2028	300,997	320,399
Expiry in 2029	215,801	210,796
Expiry in 2030	411,629	400,618
Expiry in 2031	67,028	65,294
Expiry in 2032	26,787	25,798
Expiry in 2033	67,734	63,231
Expiry in 2034	<u>99,838</u>	<u>-</u>
	<u>\$ 1,477,257</u>	<u>\$ 1,363,570</u>
Deductible temporary differences		
Impairment loss of property, plant and equipment	\$ 1,836	\$ 33,365
Others	<u>17,307</u>	<u>2,657</u>
	<u>\$ 19,143</u>	<u>\$ 36,022</u>

- e. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2024 comprised:

Unused Amount	Year of Expiry
\$ 147,219	2026
140,224	2027
300,997	2028
215,801	2029
411,629	2030
67,028	2031
26,787	2032
67,734	2033
<u>99,838</u>	2034
<u>\$ 1,477,257</u>	

- f. Income tax assessments

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

25. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2024	2023
Basic earnings per share	<u>\$ 0.81</u>	<u>\$ 1.75</u>
Diluted earnings per share	<u>\$ 0.81</u>	<u>\$ 1.75</u>

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
<u>Net profit for the year</u>	<u>\$ 55,078</u>	<u>\$ 119,328</u>

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	<u>75</u>	<u>122</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>68,075</u>	<u>68,122</u>

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.

26. 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	\$ 76,752	\$ 68,507
Recognized in operating expenses	<u>7,124</u>	<u>6,869</u>
	<u>\$ 83,876</u>	<u>\$ 75,376</u>

	For the Year Ended December 31	
	2024	2023
An analysis of amortization by function		
Recognized in operating costs	\$ 380	\$ 294
Recognized in operating expenses	<u>3,609</u>	<u>4,207</u>
	<u>\$ 3,989</u>	<u>\$ 4,501</u>

b. Employee benefits expense

	For the Year Ended December 31	
	2024	2023
Post-employment benefits (Note 20)		
Defined contribution plans	\$ 36,886	\$ 29,775
Defined benefit plans	<u>2,676</u>	<u>2,607</u>
	39,562	32,382
Other employee benefits	<u>789,107</u>	<u>651,844</u>
	<u>\$ 828,669</u>	<u>\$ 684,226</u>

(Continued)

	For the Year Ended December 31	
	2024	2023
Employee benefits expense summarized by function		
Recognized in operating costs	\$ 659,780	\$ 538,273
Recognized in operating expenses	<u>168,889</u>	<u>145,953</u>
	<u>\$ 828,669</u>	<u>\$ 684,226</u>

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	<u>\$ 2,106</u>	<u>\$ 4,117</u>
Remuneration of directors	<u>\$ 1,404</u>	<u>\$ 2,744</u>

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

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 consolidated 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.

27. BUSINESS COMBINATIONS

a. Subsidiaries acquired

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	<u>\$ 96,010</u>

b. Assets acquired and liabilities assumed at the date of acquisition subsidiaries acquired

	Iwatsu (Malaysia) Sdn. Bhd.
Current assets	
Cash and cash equivalents	\$ 39,254
Trade receivables	38,897
Inventories	21,912
Other current assets	2,150
Non-current assets	
Property, plant and equipment	76,181
Others	1,879
Current liabilities	
Trade and other payables	(80,370)
Others	(504)
Non-current liabilities	
Others	<u>(1,362)</u>
	<u>\$ 98,037</u>

The original accounting treatment for the acquisition of Iwatsu (Malaysia) Sdn. Bhd. must be re-determined based on the market value of the assets on the balance sheet date. At the date of issuance of these consolidated financial statements, the necessary market valuations and other calculations have been finalized, and they have, therefore, only been booked at fair value as the taxable value.

c. Net cash outflow on the acquisition of subsidiaries

	Iwatsu (Malaysia) Sdn. Bhd.
Consideration paid in cash	\$ 96,010
Less: Cash and cash equivalents acquired	<u>(39,254)</u>
	<u>\$ 56,756</u>

d. Gain recognized in bargain purchase transaction

	Iwatsu (Malaysia) Sdn. Bhd.
Consideration transferred	\$ 96,010
Less: Fair value of identifiable net assets acquired	<u>(98,037)</u>
Gain recognized in bargain purchase transaction	<u>\$ (2,027)</u>

e. Impact of acquisitions on the results of the Group

The financial results of the acquisition dates included in the consolidated statements of comprehensive income since the acquisition dates were as follows:

	Iwatsu (Malaysia) Sdn. Bhd.
Revenue	<u>\$ 57,010</u>
Loss	<u>\$ (6,235)</u>

Had Iwatsu (Malaysia) Sdn. Bhd. acquisition been in effect at the beginning of the financial year, the Group's revenue would have been \$2,292,418 thousand, and the profit would have been \$126,944 thousand for the the twelve months ended December 31, 2023. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the acquisition year, nor is it intended to be a projection of future results.

28. CAPITAL MANAGEMENT

The Group maintains its capital to support equipment upgrades. The Group'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.

29. 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				
Mutual funds	\$ -	\$ 6,777	\$ -	\$ 6,777
Limited partnership	<u>-</u>	<u>-</u>	<u>49,226</u>	<u>49,226</u>
	<u>\$ -</u>	<u>\$ 6,777</u>	<u>\$ 49,226</u>	<u>\$ 56,003</u>
Financial assets at FVTOCI				
Investments in equity instruments				
- domestic listed preferred shares	\$130,448	\$ -	\$ -	\$130,448
- domestic unlisted ordinary shares	<u>-</u>	<u>-</u>	<u>13,439</u>	<u>13,439</u>
	<u>\$130,448</u>	<u>\$ -</u>	<u>\$ 13,439</u>	<u>\$ 143,887</u>

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	\$ -	\$ 241	\$ -	\$ 241
Mutual funds	2,868	12,162	-	15,030
Limited partnership	<u>-</u>	<u>-</u>	<u>24,805</u>	<u>24,805</u>
	<u>\$ 2,868</u>	<u>\$ 12,403</u>	<u>\$ 24,805</u>	<u>\$ 40,076</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
- domestic listed preferred shares	\$ 130,100	\$ -	\$ -	\$ 130,100
- domestic unlisted ordinary shares	<u>-</u>	<u>-</u>	<u>13,960</u>	<u>13,960</u>
	<u>\$ 130,100</u>	<u>\$ -</u>	<u>\$ 13,960</u>	<u>\$ 144,060</u> (Concluded)

There were no transfers between Levels transfers1 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	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Balance at December 31	<u>\$ 49,226</u>	<u>\$ 13,439</u>	<u>\$ 62,665</u>

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	<u>25,000</u>	<u>5,000</u>	<u>30,000</u>
Balance at December 31	<u>\$ 24,805</u>	<u>\$ 13,960</u>	<u>\$ 38,765</u>

3) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Derivative instruments - forward exchange contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Mutual funds	Using the median price of observable similar market

transactions or the price of similar tools provided by the mutual fund management company.

4) 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
<u>Financial assets</u>		
Mandatorily classified as at FVTPL	\$ 56,003	\$ 40,076
Financial assets at amortized cost (1)	2,540,511	2,343,380
Financial assets at FVTOCI		
Equity instruments	143,887	144,060
<u>Financial liabilities</u>		
Amortized cost (2)	712,815	608,176

- 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 short-term loan, trade payables, other payables and guarantee deposits.

d. Financial risk management objectives and policies

The Group'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 Group 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 Group is committed to identify, assess and avoid the uncertainty of the market and reduce the potential downside effects against the Group'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 Group 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 Group'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 Group entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk.

a) Foreign currency risk

The Group's primary operating activities and foreign operations were in foreign currencies, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing derivative financial instruments (including forward

exchange contracts and currency swap contracts). The Group could reduce but would be unable to eliminate the effect caused by foreign currency risks under the use of derivative financial products.

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

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period and carrying amount of derivatives with foreign currency risk exposure are set out in Note 32.

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in the NTD against each relevant currency. 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	\$ 10,422	\$ 11,030	\$ 3,445	\$ 2,166
	MYR Impact (iii)		JPY Impact (iv)	
	For the Year Ended December 31		For the Year Ended December 31	
	2024	2023	2024	2023
Profit or loss	\$ (1,729)	\$ 227	\$ (774)	\$ -

- i. This was mainly attributable to the exposure on outstanding receivables and financial assets instruments at FVTPL and payables in USD which were not in cash flow hedges at the end of the reporting period.
- ii. This was mainly attributable to the exposure on outstanding receivables and financial assets instruments at FVTPL and payables in EUR which were not in cash flow hedges at the end of the reporting period.
- iii. This was mainly attributable to the exposure on outstanding cash and cash equivalents and receivables and payables in MYR which were not in cash flow hedges at the end of the reporting period.
- iv. This was mainly attributable to the exposure on outstanding bank loans in JPY which were not 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 Group'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	\$ 1,714,455	\$ 1,619,148
Financial liabilities	70,786	43,328
Cash flow interest rate risk		
Financial assets	212,771	145,648

Sensitivity analysis

The sensitivity analyses were determined based on the Group's exposure to interest rates for both derivative 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 Group's profit or loss would have been as follows:

	Market Rate Change Impact	
	2024	2023
Profit or loss	\$ 213	\$ 146

2) Credit risk

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

a) Business-related credit risk

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

For individual customers, risk factors considered include the customer's financial position, credit agency rating, the Group's internal credit rating, and transaction history as well as current economic conditions that may affect the customer's ability to pay. The Group 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 Group's concentration of credit risk of 85% and 83% of total trade receivables as of December 31, 2024 and 2023, respectively, was related to the Group'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 Group's finance department. However, since the Group'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 Group has financial flexibility.

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

The following table details the Group'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 Group 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	Total
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 696,134	\$ 442	\$ -	\$ 764	\$ 697,340
Fixed interest rate instruments	15,475	-	-	-	15,475
Lease liabilities	<u>28,853</u>	<u>28,916</u>	<u>-</u>	<u>-</u>	<u>57,769</u>
	<u>\$ 740,462</u>	<u>\$ 29,358</u>	<u>\$ -</u>	<u>\$ 764</u>	<u>\$ 770,584</u>

December 31, 2023

	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 563,653	\$ 426	\$ -	\$ 769	\$ 564,848
Fixed interest rate instruments	43,328	-	\$ -	-	43,328
Lease liabilities	<u>255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>255</u>
	<u>\$ 607,236</u>	<u>\$ 426</u>	<u>\$ -</u>	<u>\$ 769</u>	<u>\$ 608,431</u>

30. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, had been eliminated on consolidation and are not disclosed in this note. The details of transactions between the Group and other related parties are disclosed below.

a. Related parties and their relationships

Related Party	Relationship with the Group
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

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	<u>\$ 1,041</u>	<u>\$ 1,710</u>

The sale of goods to related parties were made at the Company's usual conditions which had no significant difference with other non-related parties.

c. Purchases

Related Party Category	For the Year Ended December 31	
	2024	2023
Other related party	\$ 47,940	\$ 55,862

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
		\$ 5,047	\$ 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	The Company's major institutional shareholder	\$ 712	\$ 491
Other receivables	Other related party- INFO-TEK Corporation	\$ 9,468	\$ 3,531

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	2023
Trade payables	Other related party	\$ 26,560	\$ 13,469
Other payables	Other related parties	\$ 25	\$ 406
	The Company's major institutional shareholder	534	129
		\$ 559	\$ 535

The outstanding trade payables to related parties are unsecured.

g. Prepayments

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

h. Compensation of key management personnel

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

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

31. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

- 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.
- 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.
- 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.

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group'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)
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,794	32.7350 (USD:NTD)	\$ 58,717
USD	1,757	7.2881 (USD:RMB)	57,528
USD	5,409	4.4570 (USD:MYR)	177,049
EUR	1,646	34.0313 (EUR:NTD)	56,029
EUR	467	4.6335 (EUR:MYR)	15,896
MYR	1,188	0.2244 (MYR:USD)	8,727

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Non-monetary items			
Associates accounted for using the equity method			
JPY	217,928	0.0065 (JPY:USD)	46,370

Financial liabilities

Monetary items

USD	397	32.7350 (USD:NTD)	12,982
USD	236	7.2881 (USD:RMB)	7,722
USD	1,960	4.4570 (USD:MYR)	64,164
EUR	44	34.0313 (EUR:NTD)	1,492
EUR	45	4.6335 (EUR:MYR)	1,524
MYR	5,896	0.2244 (MYR:USD)	43,303
JPY	73,065	0.0065 (JPY:USD)	15,490

December 31, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,217	30.6550 (USD:NTD)	\$ 37,292
USD	3,169	7.0857 (USD:RMB)	97,159
USD	6,144	4.5720 (USD:MYR)	188,332
EUR	1,078	33.9014 (EUR:NTD)	36,535
EUR	492	5.0562 (EUR:MYR)	16,682
MYR	2,205	0.2187 (MYR:USD)	14,786
JPY	200,000	0.0071 (JPY:USD)	43,328

Non-monetary items
Derivative instruments

USD	298	4.5720 (USD:MYR)	241
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Financial liabilities

Monetary items

USD	429	30.6550 (USD:NTD)	13,136
USD	419	7.0857 (USD:RMB)	12,846
USD	2,187	4.5720 (USD:MYR)	67,051
EUR	203	33.9014 (EUR:NTD)	6,871
EUR	89	5.0562 (EUR:MYR)	3,030
MYR	1,528	0.2187 (MYR:USD)	10,245
JPY	200,000	0.0071 (JPY:USD)	43,328

(Concluded)

The Group is mainly exposed to the USD, EUR, MYR and JPY. The following information was aggregated by the functional currencies of the Group, and the exchange rates between the respective functional currencies and the presentation currency are disclosed. The significant realized and 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)
NTD	1 (NTD:NTD)	\$ 3,101	1 (NTD:NTD)	\$ 6,047
USD	31.9978 (USD:NTD)	423	31.0901 (USD:NTD)	(632)
RMB	4.4541 (RMB:NTD)	2,031	4.4334 (RMB:NTD)	2,868
MYR	7.0075 (MYR:NTD)	(4,767)	6.8647 (MYR:NTD)	8,844
		<u>\$ 788</u>		<u>\$ 17,127</u>

33. 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.
- 10) Intercompany relationships and significant intercompany transactions: See Table 3 attached.

b. Information on investees: See Table 4 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 5 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 6 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 7 attached.

34. SEGMENT INFORMATION

The Group is organized and managed as a single reportable business segment. The Group's main operations are the manufacture and sale of rubber products, and is considered a single segment. The basis of information reported to the chief operating decision maker is the same as the consolidated financial statements. Because the basis of segment information reported to the chief operating decision maker is the same as the consolidated financial statements, the segment revenue and results for the years ended December 31, 2024 and 2023 can be referred to in the consolidated statements of comprehensive income and the segment assets and liabilities as of December 31, 2024 and 2023 can be referred to in the consolidated balance sheets.

a. Geographical information

The Group operates in three principal geographical areas - China, Malaysia and Taiwan.

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2024	2023	2024	2023
Taiwan	\$ 925,895	\$ 537,537	\$ 60,201	\$ 58,350
United States	531,102	495,712	-	-
Malaysia	414,211	443,927	387,359	369,101
Finland	144,543	153,479	-	-
Portugal	72,742	140,631	-	-
China	39,652	66,554	62,932	17,058
Others	<u>286,058</u>	<u>246,586</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,414,203</u>	<u>\$ 2,084,426</u>	<u>\$ 510,492</u>	<u>\$ 444,509</u>

Non-current assets include property, plant and equipment, right-of-use assets, intangible assets and other non-current assets.

b. Information about major customers

Single customers contributing 10% or more to the Group's revenue were as follows:

	<u>For the Year Ended December 31</u>	
	2024	2023
Customer A	\$ 823,956	\$ 409,056
Customer B	525,542	495,479
Customer C	355,267	374,625

Note: The revenue amount does not achieve 10% to the Group's revenue.

TABLE 1

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

**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
													Item	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

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

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	<u>Ordinary shares</u>							
	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	
	<u>Limited Partnership</u>							
	NEXUS CVC Partners Fund LP	-	Financial assets at FVTPL- non-current	-	49,226		49,226	
	<u>Corporate bond</u>							
	BMW US CAPITAL LLC	-	Financial assets at amortized cost- non-current	-	19,221		-	
Silitech (Bermuda) Holding Ltd	Cathay Life Insurance Company, Ltd	-	"	-	16,354		-	
	<u>Fund</u>							
	Innovation Works Development Fund, L.P	-	Financial assets at FVTPL- non-current	-	USD 207		USD 207	
	<u>Corporate bond</u>							
	Formosa Group Cayman Ltd	-	Financial assets at amortized cost-current	-	USD 1,323		-	
	Standard Chartered Bank	-	"	-	USD 2,799		-	
	Saudi Arabian Oil Co	-	"	-	USD 1,004		-	
	HSBC Holdings Plc	-	Financial assets at amortized cost- non-current	-	USD 1,680		-	
	TSMC Global Ltd	-	"	-	USD 1,507		-	
	United Overseas Bank Ltd	-	"	-	USD 902		-	
	TSMC Global Ltd	-	"	-	USD 1,001		-	
	Citigroup Inc	-	"	-	USD 1,029		-	
	HSBC Holdings Plc	-	"	-	USD 1,035		-	
	British Telecommunications	-	"	-	USD 1,486		-	
	Prudential Funding Asia Plc	-	"	-	USD 2,305		-	
	BPCE SA	-	"	-	USD 2,380		-	
	National Australia Bank Ltd/New York	-	"	-	USD 2,505		-	
	Dell International LLC/Emc Corp	-	"	-	USD 1,026		-	
	Verizon Communications Inc	-	"	-	USD 1,383		-	

(Continued)

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 (Bermuda) Holding Ltd.	Sumitomo Mitsui Trust Bank Ltd	-	Financial assets at amortized cost- non-current		USD 1,813		\$ -	
	Saudi Arabian Oil Co	-	"		USD 1,760		-	
	Nestle Holdings Inc	-	"		USD 2,077		-	
	Temasek Financial (I) Ltd	-	"		USD 1,529		-	
	International Business Machines	-	"		USD 649		-	
	Metropolitan Life Global Funding	-	"		USD 1,519		-	
	Westpac New Zealand LTD.	-	"		USD 852		-	

(Concluded)

TABLE 3

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)**

No. (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transaction			
				Financial Statement Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (%) (Note 3)
0	Silitech Technology Corporation	Silitech Technology Corporation Sdn. Bhd.	a.	Management service revenue	\$ 39,469	Determined by contract	2
1	Silitech Technology Corporation Limited	Silitech Technology Corporation	b.	Sales	16,834	No significant difference	1
2	Xurong Electronic (Shenzhen) Co., Ltd.	Silitech Technology Corporation Limited	c.	Sales	16,834	No significant difference	1

Note 1: The Parent Company and its subsidiaries are coded as follows:

- a. The Parent Company is coded “0”.
- b. The subsidiaries are coded consecutively beginning from “1” in the order presented in the table above.

Note 2: Nature of relationships are coded as follows:

- a. From the Parent Company to its subsidiary.
- b. From a subsidiary to its Parent Company.
- c. Between subsidiaries.

Note 3: The percentage calculation is based on the consolidated total operating revenue or total assets. For balance sheet items, each item’s end-of-period balance is shown as a percentage to the consolidated total assets as of December 31, 2024. For profit or loss items, cumulative amounts are shown as percentages to consolidated total operating revenue for the year ended December 31, 2024.

Note 4: The table above only discloses related-party transactions which are material.

TABLE 4

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

**NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES
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 (Note 1)
	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 (Note 1)
	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)
Silitech (BVI) Holding Ltd.	Silitech (Bermuda) Holding Ltd.	Bermuda	Investment activities	US\$ 28,978	US\$ 28,978	28,978,390	100	US\$ 39,789	(US\$ 1,571)	N/A	Sub-subsubsidiary (Note 1)
Silitech (Bermuda) Holding Ltd.	Silitech Technology Corp. Ltd.	Hong Kong	Manufacture of plastic and computer peripheral products	US\$ 8,000	US\$ 8,000	62,400,000	100	US\$ 3,774	(RMB 20,531)	N/A	Third-tier subsidiary (Note 1)
	PSA Japan Investment G.K	Japan	Investment activities	US\$ 1,437	US\$ -	-	3	US\$ 1,417	JPY 256,237	N/A	

Note 1: All amounts have been eliminated upon consolidation.

Note 2: Refer to Table 5 for information on investments in mainland China.

TABLE 5

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

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)	Note 6
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)	

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 located in a third country.
- Note 2: All the financial statements used as basis for calculating the investment amounts were all 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, R.O.C. are as follows:

Name of Investee	Order No.	Approved Amount
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 investments of US\$2,700 thousand which are not from Taiwan (R.O.C).
- 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.
- Note 8: All intercompany investments have been eliminated upon consolidation.

TABLE 6

SILITECH TECHNOLOGY CORPORATION AND SUBSIDIARIES

**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

Note: All intercompany transactions have been eliminated upon consolidation.

TABLE 7**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 consolidated financial statements may be different due to differences in the basis of preparation and calculation.