Shin Zu Shing Co., Ltd. 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 Standards 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 do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

SHIN ZU SHING CO., LTD.

By

SHENG-NAN, LU
Chairman

March 13, 2025

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Shin Zu Shing Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Shin Zu Shing Co., Ltd. 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 the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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.

Assessment of Revenue Recognition

Shin Zu Shing Co., Ltd. and its subsidiaries mainly engaged in the research and development, production and sales of notebook computers, liquid crystal display hubs and MIM (Metal injection molding). Considering that there are significant risks in the revenue recognition of the audit standards, and the revenue of wearable products has grown significantly this year. Therefore, the authenticity of revenue from the wearable products sales of Shin Zu Shing Co., Ltd. is considered actually occurred is as the key audit matter.

The audit procedures performed by the accountant in response to the above key audits are summarized as follows:

1. Understand the internal control of sales revenue of wearable products and its implementation effectiveness.

2. For customers selling wearable products, obtain the details of revenue recognized by accountants, and check whether the revenue recognition has been approved by relevant personnel after evaluating the transaction conditions.

3. Conduct a detailed sales revenue test for wearable products to check if a sales revenue transaction has actually occurred.

Other Matter

We have audited the separate financial statements of Shin Zu Shing Co., Ltd. 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 IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain 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 audit resulting in this independent auditors' report are Ming-Chung Hsieh and Chi-Ming Hsu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 13, 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.

SHIN ZU SHING CO., LTD. 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 (Note 6)	$ 2,107,388	9	$ 2,619,354	12
Financial assets at fair value through profit or loss - current (Notes 7 and 31)	182,133	1	195,695	1
Financial assets at amortized cost - current (Note 9)	3,869,500	17	3,764,118	17
Notes receivable (Note 10)	97,434	-	41,891	-
Accounts receivable (Notes 10 and 24)	5,271,462	23	4,066,896	19
Accounts receivable from related parties (Notes 10 and 32)	6,615	-	1,394	-
Other receivables (Note 10)	69,172	-	80,721	-
Inventories (Note 11)	1,946,468	8	1,621,791	8
Other current assets	234,122	1	208,442	1
Total current assets	13,784,294	59	12,600,302	58
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Note 8)	753,316	3	756,380	4
Investments accounted for using the equity method (Note 13)	165,229	1	172,081	1
Property, plant and equipment (Note 14)	5,674,161	25	5,363,886	25
Right-of-use assets (Note 15)	178,137	1	67,631	-
Investment properties, net (Note 16)	2,403,465	10	2,422,671	11
Deferred tax assets (Note 26)	30,715	-	87,226	1
Refundable deposits	21,801	-	15,632	-
Other non-current assets (Notes 17 and 22)	257,167	1	66,259	-
Total non-current assets	9,483,991	41	8,951,766	42
TOTAL	$ 23,268,285	100	$ 21,552,068	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term loans (Note 18)	$ -	-	$ 1,819,740	9
Financial liabilities at fair value through profit or loss - current (Notes 7 and 31)	-	-	1,052	-
Notes payable, net	17	-	31	-
Accounts payable, net (Note 20)	2,555,315	11	2,234,118	10
Accounts payable to related parties, net (Note 32)	341,908	1	359,953	2
Other payables (Note 21)	823,784	4	690,121	3
Other payables to related parties (Note 32)	924	-	2,280	-
Current tax liabilities (Note 26)	218,497	1	22,828	-
Lease liabilities - current (Note 15)	38,071	-	30,464	-
Other current liabilities (Note 24)	114,510	1	369,872	2
Total current liabilities	4,093,026	18	5,530,459	26
NON-CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - non-current (Notes 7 and 31)	4,640	-	-	-
Bonds payable (Note 19)	731,448	3	-	-
Deferred tax liabilities (Note 26)	429,239	2	414,456	2
Lease liabilities - non-current (Note 15)	21,034	-	31,206	-
Guarantee deposits received	20,357	-	22,689	-
Total non-current liabilities	1,206,718	5	468,351	2
Total liabilities	5,299,744	23	5,998,810	28
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (Note 23)				
Share capital				
Ordinary shares	1,957,483	9	1,877,483	9
Capital surplus	3,078,250	13	1,807,450	8
Retained earnings				
Legal reserve	2,104,524	9	2,021,998	9
Special reserve	346,330	1	320,399	2
Unappropriated earnings	10,665,480	46	9,872,258	46
Total retained earnings	13,116,334	56	12,214,655	57
Other equity	(183,526)	(1)	(346,330)	(2)
Total equity	17,968,541	77	15,553,258	72
TOTAL	$ 23,268,285	100	$ 21,552,068	100

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

SHIN ZU SHING CO., LTD. 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	%
NET REVENUE (Notes 24 and 32)	$ 13,327,345	100	$ 10,067,747	100
OPERATING COGS (Notes 11 and 32)	10,865,271	82	8,262,923	82
GROSS PROFIT	2,462,074	18	1,804,824	18
OPERATING EXPENSES (Note 32)				
Selling expenses	155,408	1	134,363	1
Administrative expenses	537,612	4	461,454	5
Research and development expenses	516,960	4	313,902	3
Expected credit (reversal) loss on account receivables	(1,257)	-	(13,779)	-
Total operating expenses	1,208,723	9	895,940	9
INCOME FROM OPERATIONS	1,253,351	9	908,884	9
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 25)	129,802	1	136,605	2
Other income (Notes 25 and 32)	258,746	2	133,717	1
Other gains and losses, net (Note 25)	276,344	2	6,828	-
Finance costs (Note 25)	(29,050)	-	(23,350)	-
Share of profits of associates (Note 13)	(13,710)	-	486	-
Total non-operating income and expenses	622,132	5	254,286	3
INCOME BEFORE INCOME TAX	1,875,483	14	1,163,170	12
INCOME TAX EXPENSE (Note 26)	516,151	4	355,766	4
NET INCOME	1,359,332	10	807,404	8

(Continued)

SHIN ZU SHING CO., LTD. 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**	**%**
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	$ 4,493	-	$ 471	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	2,563	-	56,760	1
Item that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	168,078	2	(65,303)	(1)
Other comprehensive (loss) income for the year	175,134	2	(8,072)	-
TOTAL COMPREHENSIVE INCOME	$ 1,534,466	12	$ 799,332	8
NET INCOME ATTRIBUTABLE TO:				
Shareholders of the parent	$ 1,359,332	10	$ 807,404	8
Non-controlling interests	-	-	-	-
	$ 1,359,332	10	$ 807,404	8
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Shareholders of the parent	$ 1,534,466	12	$ 799,332	8
Non-controlling interests	-	-	-	-
	$ 1,534,466	12	$ 799,332	8
EARNINGS PER SHARE (Note 27)				
Basic	$ 7.15		$ 4.30	
Diluted	$ 7.11		$ 4.29	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

SHIN ZU SHING CO., LTD. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company								
			Retained Earnings			Others			
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Exchange	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Equity Attributable to Owners of the Company	Total Equity
BALANCE AT JANUARY 1, 2023	$ 1,877,483	$ 2,370,695	$ 1,886,935	$ 393,011	$ 9,672,691	$ (227,649)	$ (92,750)	$ 15,880,416	$ 15,880,416
Appropriation of 2022 earnings									
Legal reserve	-	-	135,063	-	(135,063)	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(563,245)	-	-	(563,245)	(563,245)
Special reserve	-	-	-	(72,612)	72,612	-	-	-	-
Issuance of shares dividends from capital surplus	-	(563,245)	-	-	-	-	-	(563,245)	(563,245)
Net income for the year ended December 31, 2023	-	-	-	-	807,404	-	-	807,404	807,404
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	471	(65,303)	56,760	(8,072)	(8,072)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	807,875	(65,303)	56,760	799,332	799,332
Disposal of the investment in equity instruments designed as at fair value through other comprehensive income	-	-	-	-	17,388	-	(17,388)	-	-
BALANCE AT DECEMBER 31, 2023	1,877,483	1,807,450	2,021,998	320,399	9,872,258	(292,952)	(53,378)	15,553,258	15,553,258
Appropriation of 2023 earnings									
Legal reserve	-	-	82,526	-	(82,526)	-	-	-	-
Special reserve	-	-	-	25,931	(25,931)	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(469,371)	-	-	(469,371)	(469,371)
Equity component of convertible bonds issued by the Company	-	233,543	-	-	-	-	-	233,543	233,543
Issuance of shares dividends from capital surplus	-	(281,623)	-	-	-	-	-	(281,623)	(281,623)
Net income for the year ended December 31, 2024	-	-	-	-	1,359,332	-	-	1,359,332	1,359,332
Other comprehensive income for the year ended December 31, 2024, net of income tax	-	-	-	-	4,493	168,078	2,563	175,134	175,134
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	1,363,825	168,078	2,563	1,534,466	1,534,466
Issuance of ordinary shares for cash	80,000	1,280,000	-	-	-	-	-	1,360,000	1,360,000
Disposal of subsidiary (Note 12)	-	-	-	-	-	(612)	-	(612)	(612)
Share-based payment	-	38,880	-	-	-	-	-	38,880	38,880
Disposal of the investment in equity instruments designed as at fair value through other comprehensive income	-	-	-	-	7,225	-	(7,225)	-	-
BALANCE AT DECEMBER 31, 2024	$ 1,957,483	$ 3,078,250	$ 2,104,524	$ 346,330	$ 10,665,480	$ (125,486)	$ (58,040)	$ 17,968,541	$ 17,968,541

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

SHIN ZU SHING CO., LTD. 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		
Income before income tax	$ 1,875,483	$ 1,163,170
Adjustments for:		
Depreciation expense	541,920	596,864
Expected credit recognized reversal	(1,257)	(13,779)
Net loss on fair value change of financial assets and liabilities at fair value through profit or loss	40,098	62,350
Finance costs	29,050	23,350
Interest income	(129,802)	(136,605)
Dividend income	(15,280)	(18,748)
Compensation cost of employee share options	38,880	-
Share of loss (profit) of associates	13,710	(486)
Gain on disposal of property, plant and equipment, net	(138,889)	(1,603)
(Gain) loss on disposal of subsidiaries	(612)	13,885
Gain on disposal of financial assets, net	(1,596)	(9,929)
Write-down of inventories	1,269	-
Reversal of write-downs of inventories	-	(39,198)
Gain on modification of lease	(74)	(539)
Changes in operating assets and liabilities		
Notes receivable	(55,543)	(30,643)
Accounts receivable	(1,203,366)	299,907
Accounts receivable from related parties	(5,221)	(1,359)
Other receivables	9,387	(18,332)
Inventories	(326,327)	83,275
Other current assets	(26,247)	(114,819)
Notes payable	553	12
Accounts payable	321,197	733,072
Accounts payable to related parties	(18,405)	173,018
Other payables	81,082	(24,578)
Other payables to related parties	(1,356)	1,705
Other current liabilities	(255,362)	(104,891)
Cash generated from operations	773,292	2,635,099
Interest received	132,979	122,074
Dividends received	15,280	18,748
Interest paid	(31,514)	(19,300)
Income tax paid	(248,767)	(646,610)
Net cash generated from operating activities	641,270	2,110,011
NET CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of financial assets at fair value through other comprehensive income	(3,000)	(511,440)
Proceeds from disposal of financial assets at fair value through other comprehensive income	9,190	7,658

(Continued)

SHIN ZU SHING CO., LTD. AND SUBSIDIARIES

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

	2024	2023
Increase in financial assets at amortized cost	$ (105,382)	$ (770,162)
Acquisitions of financial assets at fair value through profit or loss	(26,788)	(83,369)
Proceeds from disposal of financial assets at fair value through profit or loss	1,596	24,495
Payments for disposal of investments accounted for using the equity method	-	(80,275)
Acquisitions for property, plant and equipment	(666,198)	(117,867)
Proceeds from disposal of property, plant and equipment	182,875	19,209
Increase in refundable deposits	(5,949)	(171)
Proceeds from expropriation of land	(116,343)	-
Increase in other non-current assets	(375,895)	(80,178)
Net cash used in investing activities	(1,105,894)	(1,592,100)
NET CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term loans	(1,819,740)	38,560
Proceeds from issuance of bonds	963,841	-
(Decrease) increase in guarantee deposits received	(2,698)	4,092
Repayment of the principal portion of lease liabilities	(43,982)	(51,491)
Cash dividends	(750,994)	(1,126,490)
Issuance of ordinary shares for cash	1,360,000	-
Net cash used in financing activities	(293,573)	(1,135,329)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	245,871	(45,341)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(512,326)	(662,759)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,619,354	3,282,113
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 2,107,028	$ 2,619,354

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

SHIN ZU SHING CO., LTD. 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

Shin Zu Shing Co., Ltd. (the "Company") was incorporated in the Republic of China (ROC) on June 28, 1968, under the Company Act of the ROC and related laws. The Company was formerly "Shin Zu Shing spring machinery industry Co., Ltd.", which changed the name to Shin Zu Shing Co., Ltd. on November 17, 1997.

The Company's shares have been listed on the Taipei Exchange (TPEx) Mainboard since December 2005, and have been listed on the Taiwan Stock Exchange since December 2007.

The main business of the company is research and development, design, production, assembly, testing, manufacturing and sales of various precision springs, stamping parts, hinge components and metal injection molding (MIM). In recent years, it has been committed to developing various hinge components, to be used in various notebook computers, LCD monitors, digital cameras and other electronic product parts, etc.

The consolidated financial statements are presented in the Group'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 on March 13, 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 "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   Except for the following, the initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have 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 (Note 1)
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 2)

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.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025. An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

1) Amendments to IAS 21 “Lack of Exchangeability”

The amendments stipulate that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. In this situation, the Group shall disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, its financial performance, financial position and cash flows.

2) Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets

The amendments mainly amend the requirements for the classification of financial assets, including:

a) If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,

   - In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and

   - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

b) To clarify that a financial asset has non-recourse features if an entity’s ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

c) To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

The Group is currently evaluating whether to early adopt the amendment.

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 (Note)
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” - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	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: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

1) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Group sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate or joint venture, i.e., the Group’s share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate or joint venture, i.e., the Group’s share of the gain or loss is eliminated.

2) IFRS 18 “Presentation and Disclosure 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 discontinued 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.

3) Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities

   The amendments mainly stipulate that, when settling a financial liability in cash using an electronic payment system, the Group can choose to derecognize the financial liability before the settlement date if, and only if, the Group has initiated a payment instruction that resulted in:

   - The Group having no practical ability to withdraw, stop or cancel the payment instruction;

   - The Group having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and

   - The settlement risk associated with the electronic payment system being insignificant.

   The Group shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

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 IFRS Accounting Standards 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 measured at fair value and net defined benefit assets (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, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; 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. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current. If the terms of a liability allow it to be settled, at the counterparty's discretion, by the transfer of the Group's own equity instruments, and the Group classifies such an option as an equity instrument, then those terms do not affect the classification of the liability as current or 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, including structured entities).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of 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 of the Group.

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 interests of the Group 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 12, Tables 2 and 5 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. 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 was 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 cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the financial statements of the Company and its foreign operations (including subsidiaries, associates, and branches in other countries that are prepared using functional currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

f. Inventories

Inventories consist of raw materials, supplies, finished goods and work in progress and 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 specific identification of cost on the balance sheet date.

g. Investments in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates attributable to the Group.

When the Company subscribes for additional new shares of an associate and joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate and joint venture. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate and joint venture (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent that interests in the associate are not related to the Group.

h. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

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. 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. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation. Investment properties include right-of-use assets and properties under construction that meet the definition of investment properties. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized using the straight-line method.

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

j. Impairment of property, plant and equipment, right-of-use asset and investment properties

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment properties 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 the asset 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 corresponding asset, 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. A reversal of an impairment loss is recognized in profit or loss.

k. Financial instruments

Financial assets and financial liabilities are recognized when 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 the 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 settlement date basis.

a) Measurement categories

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

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. 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. The net gain or loss recognized in profit or loss does not incorporate any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 31.

ii. Financial assets at amortized cost

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

i) The financial assets are 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 assets 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, financial assets at amortized cost, notes and Accounts receivable, Accounts receivable from related parties and other receivables, 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 asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial asset that is not credit impaired on purchase or origination but has 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 and repurchase agreement 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 Accounts receivable).

The Group always recognizes lifetime expected credit losses (ECLs) for notes and Accounts receivable, Accounts receivable from related parties and other 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 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. 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

Except the following situations, all financial liabilities are measured at amortized cost using the effective interest method:

<u>Financial liabilities at FVTPL</u>

Financial liabilities are classified as at FVTPL when such financial liabilities are either held for trading or are designated as at FVTPL.

Financial liabilities held for trading are stated at fair value, and any gains or losses on such financial liabilities are recognized in other gains or losses/any interest paid on such financial liabilities is recognized in finance costs; any remeasurement gains or losses on such financial liabilities are recognized in other gains or losses.

b) Derecognition of financial liabilities

The difference between the carrying amount of a 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 interest rate and foreign exchange rate risks, including cross-currency swaps contracts.

Derivatives are initially recognized at fair value at the date on which 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 hedging 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.

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 (e.g., financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

5) Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument’s maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

l. Revenue recognition

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

Sales of goods are mainly recognized when the customer obtains control over the promised assets, that is, when the goods are delivered to the customer and the performance obligation are met.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable and reduced for estimated customer returns, rebates and other similar allowances. Estimated sales returns and allowances is generally made and adjusted based on historical experience and the consideration of varying contractual terms to recognize refund liabilities, and provisions are recognized accordingly.

m. 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 by 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, which comprise fixed 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 lessee’s incremental borrowing rate - will be used.

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.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

n. 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 expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under 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 in which they occur when the plan amendment or curtailment occurs. Remeasurement, comprising actuarial gains and losses 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) represents 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.

3) Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognizes any related restructuring costs.

o. Provisions

Provisions are recognized when the Croup has a present obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The Group sells specific products to specific customers, and estimates appropriate provision for sales returns and discounts in accordance with the agreement.

p. Share-based payment arrangements

<u>Employee share options granted to employees and others providing similar services</u>

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Croup’s best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately. For the cash capital increase reserved for employee subscription, the grant date is the date of approval by the Board of Directors.

At the end of each reporting period, the Group revises its estimate of the number of employee share options that are expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options.

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 Act in the ROC, 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 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 associates and interests in joint ventures, 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 recognized only 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 such temporary differences 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

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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on 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.

For material accounting estimates, the estimates and underlying assumptions are reviewed by the management of the Group on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	2023
Cash on hand	$ 897	$ 683
Checking accounts and demand deposits	2,106,491	2,618,671
	$ 2,107,388	$ 2,619,354

As of December 31, 2024 and 2023, the ending balance of time deposits with original maturities of more than 3 months were $3,869,500 thousand and $3,764,118 thousand, respectively, and were classified as financial assets at amortized cost (refer to Note 9).

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2024	2023
Financial assets at FVTPL - current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic listed shares	$ 182,133	$ 195,695
Financial liabilities at FVTPL - current		
Financial liabilities mandatorily classified as at FVTPL		
Derivative financial liabilities (not under hedge accounting)		
Cross-currency swap contracts*	$ -	$ 1,052
Financial liabilities at FVTPL - non-current		
Financial liabilities mandatorily classified as at FVTPL		
Put option on convertible bonds (Note 19)	$ 4,640	$ -

* At the end of the reporting period, outstanding cross-currency swap contracts not under hedge accounting were as follows:

Notional Amount (In Thousands)	Maturity Date	Interest Rates Paid	Interest Rates Received
December 31, 2023			
US$10,000/NT$313,000	2024.01.05	1.63%	5.798%
US$10,000/NT$316,500	2024.08.05	1.60%	5.75%
US$8,000/NT$242,400	2024.03.29	1.59%	USD-SOFR +0.60%

The Group entered into cross-currency swap contracts during the years ended December 31, 2023 to manage exposures to exchange rate and interest rate fluctuations of foreign currency denominated assets and liabilities.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	December 31	
	2024	2023
Non-current		
Domestic investments		
Listed shares and emerging market shares	$ 220,964	$ 227,632
Unlisted shares	514,440	511,440
Foreign investments		
Unlisted shares	17,912	17,308
	$ 753,316	$ 756,380

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 fair value through other comprehensive income (FVTOCI) as they believe that recognizing short-term fluctuations from these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2024	2023
Current		
Domestic investments		
Time deposits with original maturities of more than 3 months	$ 3,869,500	$ 3,764,118
The ranges of interest rates	1.23%-4.60%	1.10%-5.33%

10. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	December 31 2024	December 31 2023
Notes receivable		
Notes receivable - operating	$ 97,434	$ 41,891
Less: Allowance for impairment loss	-	-
	$ 97,434	$ 41,891
Accounts receivable		
At amortized cost		
Gross carrying amount - non-related parties	$ 5,280,521	$ 4,077,104
Gross carrying amount - related parties	6,615	1,394
Less: Allowance for impairment loss	(9,059)	(10,208)
	$ 5,278,077	$ 4,068,290
Other receivables		
At amortized cost		
Others	$ 69,172	$ 80,721

The average credit period of sales of goods is 120-150 days. No interest is charged on Accounts receivable. In order to minimize credit risk, 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 applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all accounts receivables. The expected credit losses on accounts receivables are estimated by reference to past default experience of the debtor and past receivable experience. The Group estimates expected credit loss rate, by past due status and actual situation.

The following table details the loss allowance of notes receivable, trade receivable and accounts receivable from related parties:

December 31, 2024

	Not Past Due	1 to 90 Days Past Due	91 to 120 Days Past Due	121 to 365 Days Past Due	Over 365 Days Past Due	Total
Gross carrying amount	$ 4,734,015	$ 643,164	$ 1,194	$ 1,948	$ 4,249	$ 5,384,570
Loss allowance (Lifetime ECL)	(1,391)	(2,051)	(179)	(1,189)	(4,249)	(9,059)
Amortized cost	$ 4,732,624	$ 641,113	$ 1,015	$ 759	$ -	$ 5,375,511

December 31, 2023

	Not Past Due	1 to 90 Days Past Due	91 to 120 Days Past Due	121 to 365 Days Past Due	Over 365 Days Past Due	Total
Gross carrying amount	$ 3,994,565	$ 82,735	$ 7,789	$ 31,320	$ 3,980	$ 4,120,389
Loss allowance (Lifetime ECL)	(2,372)	(2,227)	(1,168)	(461)	(3,980)	(10,208)
Amortized cost	$ 3,992,193	$ 80,508	$ 6,621	$ 30,859	$ -	$ 4,110,181

The expected credit loss rate for each about range of the Group is less than 1% within the not overdue period; 1%-10% within the overdue period from 1 to 90 days; 11%-99% within the overdue period from 91 to 365 days; and 100% when the overdue period exceeds 365 days.

As of December 31, 2024, accounts receivable overdue for 1 to 90 days were partially collected after the reporting period, while the remaining balances are still under follow-up and subsequent arrangements. For the portion not yet recovered, expected credit losses have been recognized based on the applicable expected credit loss rate.

As of December 31, 2023, accounts receivable overdue for 121 to 365 days were partially collected after the reporting period, while the remaining balances are still under follow-up and subsequent arrangements. For the portion not yet recovered, expected credit losses have been recognized based on the applicable expected credit loss rate.

The movements of the loss allowance of Accounts receivable were as follows:

	2024	2023
Balance at January 1	$ 10,208	$ 24,050
Net remeasurement of loss allowance	-	-
Impairment losses reversed	(1,257)	(13,779)
Foreign exchange gains and losses	108	(63)
Balance at December 31	$ 9,059	$ 10,208

11. INVENTORIES

	December 31	
	2024	2023
Finished goods	$ 911,173	$ 646,274
Semi-finished goods	103,098	88,274
Work in process	514,210	438,921
Raw materials	417,987	448,322
	$ 1,946,468	$ 1,621,791

The cost of inventories recognized as cost of goods sold for 2024 and 2023 included $10,865,271 thousand and $8,262,923 thousand, respectively. The cost of goods sold for 2024 and 2023 included inventory write-downs of $1,269 thousand and reversal of inventory write-downs $39,198 thousand, respectively.

12. SUBSIDIARIES

Subsidiaries Included in Consolidated Financial Statements

The detail information of the subsidiaries at the end of reporting period was as follows:

Investor	Investee	Nature of Activities	Percentage of Ownership at December 31		Note
			2024	2023	
Shin Zu Co., Ltd.	Magic Timing Technology Limited	Entrepot trade services of parent companies and affiliates	100	100	a
	Time Rise Corp.	Investment management	100	100	b
	Up Hill International Limited	Entrepot trade services of parent companies and affiliates	100	100	c
	Spring Vision Technology Corp.	Entrepot trade services of parent companies and affiliates	100	100	d
	Heng Xing Investment Co., Ltd.	Investment management	100	100	e
	Amazing Power Limited	Investment management	100	100	f
	CJC Holding Pte. Limited	Sales of LCD monitor frames, rotary shafts and accessories	-	100	g
	Above Average Limited	Entrepot trade services of parent companies and affiliates	100	100	h
	Ding Ying Investment Co., Ltd.	Investment management	100	100	i
	Smart Point Co., Ltd.	Investment management	100	100	j
Time Rise Corp.	Hamstead Corporation	Investment management	100	100	k
	Shining Smart International Corp.	Investment management	100	100	l
Hamstead Corporation	Shin Zu Shing Precision Electron (Suzhou) Co., Ltd.	Production and sales of precision hardware, electronics, molds and plastic, etc.	100	100	m
	Shin Zu Shing Precision Electron (Chongqing) Co., Ltd.	Production and sales of computer accessories	100	100	n
Amazing Power Limited	Ace Technology Inc.	Investment management	100	100	o
	Blossom Enterprise Inc.	Investment management	100	100	p
	Elite Dragon Group Limited.	Investment management	100	100	q
Ace Technology Inc.	Kunshan Jengjea Computer Fittings Co., Ltd.	Production and development of LCD monitor accessories and key laptop components	100	100	r
Elite Dragon Group Limited.	Dongguan Chengyue Computer Fittings Co., Ltd.	Production and sales of computer accessories	100	100	s
Blossom Enterprise Inc.	Redstar Precision Electorn (Fuqing) Co., Ltd.	Production of shafts and other precision bearings, molds, LCD monitor accessories, key laptop and other new electronic components, self-produced products, etc.	100	100	t
Smart Point Co., Ltd.	Shin Zu Shing (Bac Giang) Company Limited	Production and sales of other precision bearings and electronics, etc.	100	100	u

The detail information of the subsidiaries at the end of reporting period was as follows:

a. Magic Timing Technology Limited (hereinafter as “Magic”), incorporated on January 13, 2005 in the British Virgin Islands, is approved by the Ministry of Economic Affairs Overseas Chinese and Foreign Investment Commission to conduct contracting and international trade-related business.

b. Time Rise Corporation (hereinafter as “Time Rise”), incorporated on February 17, 2004 in the Republic of Mauritius, is approved by the Ministry of Economic Affairs Overseas Chinese and Foreign Investment Commission to conduct reinvestment business in China.

c. Up Hill International Limited (hereinafter as “Up Hill”), incorporated on May 12, 2006 in Samoa, is approved by the Ministry of Economic Affairs Overseas Chinese and Foreign Investment Commission to conduct international trade-related business.

d. Spring Vision Technology Corporation (hereinafter as “Spring Vision”), incorporated on November 8, 2007 in the British Virgin Islands, is approved by the Ministry of Economic Affairs Overseas Chinese and Foreign Investment Commission to conduct contracting and international trade-related business.

e. Heng Xing Investment Co., Ltd. (hereinafter as “Heng Xing”) was incorporated in August 2009 in Sanchong District, New Taipei City, and mainly conducts investment business.

f. Amazing Power Limited (hereinafter as “Amazing”) was 100% acquired by Shin Zu Shing for US$14,156 thousand in September 2010. Amazing was incorporated in January 2009 in the Republic of Seychelles, and is approved by the Ministry of Economic Affairs Overseas Chinese and Foreign Investment Commission to conduct reinvestment business in China.

g. CJC Holding Pte. Limited (hereinafter as “CJC Holding”) was 100% acquired by Shin Zu Shing for US$428 thousand in September 2010. CJC Holding was incorporated in December 1995 in Singapore, and mainly conducts sales in LCD monitor base frames, shafts and accessories. Based on the Group’s policy considerations, CJC Holding was liquidated before the approval date of the consolidated financial statements but has not yet completed the change registration with the Ministry of Economic Affairs’ Overseas Chinese and Foreign Investment Commission.

h. Above Average Limited (hereinafter as “Above Average”) was incorporated on September 30, 2016 in the Republic of Seychelles for US$100 thousand, and is approved by the Ministry of Economic Affairs Overseas Chinese and Foreign Investment Commission to conduct contracting and international trade-related business.

i. Ding Ying Investment Co., Ltd. (hereinafter as “Ding Ying”) was incorporated in November 2022 in Sanchong District, New Taipei City, and mainly conducts investment business.

j. Smart Point Co., Ltd. (hereinafter as "Smart Point") was incorporated on January 10, 2023 in the Republic of Seychelles, and mainly conducts investment business in Vietnam.

k. Hamstead Corporation (hereinafter as “Hamstead”) is 100% owned by Time Rise, and was incorporated on November 30, 2001 in the Republic of Mauritius. Hamstead is approved by the Ministry of Economic Affairs Overseas Chinese and Foreign Investment Commission to conduct reinvestment business in China, and it has acquired the ownership of Shin Zu Shing Precision Electron (Suzhou) Co., Ltd. and Shin Zu Shing Precision Electron (Chongqing) Co., Ltd.

l. Shining Smart International Corporation (hereinafter as “Shining Smart”) was incorporated on November 13, 2007 in the British Virgin Islands. Shining Smart owns 28.03% ownership of Prosperity Investment Holding Pte. Ltd. to conduct investment business in Vietnam. In March 2021 and July 2020 Shining Smart has not participated in the capital injection proportionately into Prosperity Investment Holding Pte. Ltd., resulting in the change of its ownership after the capital increase to 25% and 26.11%. In October 2023, Shining Smart has participated in the capital injection proportionately into Prosperity Investment Holding Pte. Ltd., and the shareholding ratio remains unchanged after the capital increase.

m. Shin Zu Shing Precision Electron (Suzhou) Co., Ltd. (hereinafter as “Shin Zu Shing (Suzhou)”), 100% owned by Hamstead, was incorporated in Suzhou, China in March 2002, and obtained the enterprise permit to do business in May 2002, with the validity period beginning on March 5, 2002 to March 4, 2052. Its main businesses include the manufacture and sales of precision springs, electronics, molds, and plastic, etc.

n. Shin Zu Shing Precision Electron (Chongqing) Co., Ltd. (hereinafter as “Shin Zu Shing (Chongqing)”) was incorporated in Chongqing, China, on September 26, 2022, and obtained the enterprise permit to do business in September 2022. Hamstead has 100% ownership of Shin Zu Shing (Chongqing). Its main businesses include the manufacture and sales of computer accessories.

o. Ace Technology Inc. (hereinafter as “Ace”) was incorporated on January 5, 2009 in the Republic of Seychelles. Ace is approved by the Ministry of Economic Affairs Overseas Chinese and Foreign Investment Commission to conduct investment business in China, and has acquired 100% ownership of Kunshan Jengjea Computer Fittings Co., Ltd. in China.

p. Blossom Enterprise Inc. (hereinafter as “Blossom”) was incorporated on November 13, 2008 in the Republic of Seychelles. Blossom is approved by the Ministry of Economic Affairs Overseas Chinese and Foreign Investment Commission to conduct investment business in China and has established a subsidiary, Redstar Precision Electorn (Fuqing) Co., Ltd. with 100% ownership.

q. Elite Dragon Group Limited (hereinafter as “Elite Dragon”) was incorporated on July 19, 2017 in the British Virgin Islands for US$5000. Elite Dragon is approved by the Ministry of Economic Affairs Overseas Chinese and Foreign Investment Commission to conduct investment business in China, and has indirectly acquired 100% ownership of Dongguan Chengyue Computer Fittings Co., Ltd.

r. Kunshan Jengjea Computer Fittings Co., Ltd. (hereinafter as “Kunshan Jengjea”), 100% owned by Ace, was incorporated in Kunshan, China on September 26, 2001, and has obtained the enterprise permit to do business, the validity period beginning on September 26, 2001 to September 25, 2031. Its main businesses include the development and manufacture of LCD monitor accessories, key laptop components, etc.

s. Dongguan Chengyue Computer Fittings Co., Ltd. (hereinafter as “Dongguan Chengyue”), incorporated in Dongguan, China on April 23, 2018, has obtained the enterprise permit to do business and is 100% owned by Elite Dragon. Its main businesses include the manufacture and sales of computer accessories.

t. Redstar Precision Electorn (Fuqing) Co., Ltd. (hereinafter as “Redstar (Fuqing)), 100% owned by Blossom, was incorporated in Fuqing, China on August 23, 2011, and has obtained the enterprise permit to do business, the validity period beginning on August 23, 2011 to August 22, 2061. Its main businesses include the manufacture and sale of hinges, molds, LCD monitor accessories, key laptop and electronic components, etc.

u. Shin Zu Shing (Bac Giang) Company Limited, (hereinafter as “Shin Zu Shing (Bac Giang)”), 100% owned by Smart Point, was incorporated in Beijiang Province, Vietnam, on September 19, 2023, and has obtained the enterprise permit to do business, with the validity period beginning in September 2023 to May 2066. Its main businesses include the Production and sales of other precision bearings and electronics, etc.

v. The financial statements and related information for the year ended December 31, 2024 and 2023 of the companies included in the consolidated financial statements have been audited by CPAs.

13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31	
	2024	**2023**
Investments in associates		
Associates that are not individually material	$ 165,229	$ 172,081

			Proportion of Ownership Rights	
			December 31	
Name of Associate	**Nature of Activities**	**Principal Place of Business**	**2024**	**2023**
Prosperity Investment Holding Pte. Ltd	Investment	Singapore	25.00	25.00

a. The Group signed a three-party contract with Jochu Technology Co., Ltd. and other company to establish Prosperity Investment Holding Pte. Ltd, in which the Group invested US$888 thousand to acquire 28.03% ownership through Shining Smart International Corporation.

b. On March 2, 2021, the Group invested US$1,525 thousand into Prosperity Investment Holding Pte. Ltd. through Shining Smart International Corporation, unproportioned to its previous ownership percentage, resulting in its ownership decreased to 25%.

c. The Group is not the largest shareholder of Prosperity Investment Holding Pte. Ltd., and either does not have the practical ability to direct the relevant activities of Prosperity Investment Holding Pte. Ltd., therefore, the Group does not have control over it.

d. The investment under the equity method and the Group's share of profit or loss of associates accounted for using the entity method is calculated according to the unreviewed reports of the associates; however, the Management of the Group believes that the unreviewed reports does not have significant influence.

	For the Year Ended December 31	
	2024	**2023**
The Group's share of:		
Net (loss) income from continuing operations	$ (13,710)	$ 486
Other comprehensive income	-	-
Total comprehensive (loss) income for the year	$ (13,710)	$ 486

Refer to Table 2 "Name, locations, and related information of investees on which the Company exercises significant influence" for the nature of activities, principal place of business and country of incorporation of the associates.

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery and Equipment	Office Equipment	Transportation Equipment	Others Equipment	Construction-in -progress	Total
Cost								
Balance at January 1, 2023	$ 3,058,135	$ 1,868,079	$ 5,375,218	$ 68,118	$ 26,245	$ 690,162	$ -	$ 11,085,957
Additions	-	385	55,955	5,986	-	48,394	-	110,720
Disposals	-	-	(140,117)	(36)	(2,787)	(10,470)	-	(153,410)
Effect of foreign currency exchange differences	-	(4,672)	(8,883)	(821)	(275)	(2,899)	-	(17,550)
Reclassifications	-	-	43,592	1,575	1,423	-	-	46,590
Balance at December 31, 2023	$ 3,058,135	$ 1,863,792	$ 5,325,765	$ 74,822	$ 24,606	$ 725,187	$ -	$ 11,072,307
Accumulated depreciation and impairment								
Balance at January 1, 2023	$ -	$ 575,712	$ 4,132,176	$ 50,933	$ 21,678	$ 546,657	$ -	$ 5,327,156
Disposals	-	-	(123,817)	(32)	(2,611)	(9,344)	-	(135,804)
Depreciation expense	-	49,666	402,805	3,714	1,265	70,508	-	527,958
Effect of foreign currency exchange differences	-	(3,243)	(4,698)	(590)	(219)	(2,139)	-	(10,889)
Reclassifications	-	-	-	-	-	-	-	-
Balance at December 31, 2023	$ -	$ 622,135	$ 4,406,466	$ 54,025	$ 20,113	$ 605,682	$ -	$ 5,708,421
Carrying amount at December 31, 2023	$ 3,058,135	$ 1,241,657	$ 919,299	$ 20,797	$ 4,493	$ 119,505	$ -	$ 5,363,886

(Continued)

	Freehold Land	Buildings	Machinery and Equipment	Office Equipment	Transportation Equipment	Others Equipment	Construction-in -progress	Total
Cost								
Balance at January 1, 2024	$ 3,058,135	$ 1,863,792	$ 5,325,765	$ 74,822	$ 24,606	$ 725,187	$ -	$ 11,072,307
Additions	-	889	276,848	20,074	494	70,203	360,105	728,613
Disposals	-	-	(799,244)	(1,119)	(1,631)	(34,535)	-	(836,529)
Effect of foreign currency exchange differences	-	8,711	16,142	1,575	483	5,429	(96,969)	(64,629)
Reclassifications	-	-	181,842	5,530	876	1,232	-	189,480
Balance at December 31, 2024	$ 3,058,135	$ 1,873,392	$ 5,001,353	$ 100,882	$ 24,828	$ 767,516	$ 263,136	$ 11,089,242
Accumulated depreciation and impairment								
Balance at January 1, 2024	$ -	$ 622,135	$ 4,406,466	$ 54,025	$ 20,113	$ 605,682	$ -	$ 5,708,421
Disposals	-	-	(763,667)	(1,042)	(1,602)	(26,232)	-	(792,543)
Depreciation expense	-	49,621	355,885	6,592	1,108	64,295	-	477,501
Effect of foreign currency exchange differences	-	6,234	9,768	1,134	394	4,172	-	(21,702)
Reclassifications	-	-	-	-	-	-	-	-
Balance at December 31, 2024	$ -	$ 677,990	$ 4,008,452	$ 60,709	$ 20,013	$ 647,917	$ -	$ 5,415,081
Carrying amount at December 31, 2024	$ 3,058,135	$ 1,195,402	$ 992,901	$ 40,173	$ 4,815	$ 119,599	$ 263,136	$ 5,674,161

(Concluded)

No impairment assessment was performed because there was no indication of impairment for the years ended December 31, 2024 and 2023.

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

Buildings	
Industrial building	14-50 years
Electrical power systems	5 years
Engineering systems	5-27 years
Machinery equipment	
Major production equipment	5-10 years
Motor, controller and spindle device	3 years
Office equipment	5 years
Transportation equipment	5 years
Other equipment	3-15 years

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2024	2023
Carrying amount		
Land	$ 120,935	$ 7,612
Buildings	41,218	51,420
Transportation equipment	15,984	8,599
	$ 178,137	$ 67,631

	For the Year Ended December 31	
	2024	2023
Depreciation charge for right-of-use assets		
Land	$ 3,284	$ 240
Buildings	32,604	40,100
Transportation equipment	9,325	9,360
	$ 45,213	$ 49,700

Except for the addition in assets and recognition of depreciation expense, the Group had no material sublease and impairment loss on its right-of-use assets for the years ended December 31, 2024 and 2023.

b. Lease liabilities

	December 31	
	2024	2023
Carrying amount		
Current	$ 38,071	$ 30,464
Non-current	$ 21,034	$ 31,206

Range of discount rate for lease liabilities was as follows:

	December 31	
	2024	2023
Buildings	0.55%-4.50%	0.45%-4.65%
Transportation equipment	0.39%-4.45%	0.39%-4.45%

c. Material leasing activities and terms

The Group leases certain buildings and transportation equipment for business use with lease terms of 2020-2027 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. The Group is prohibited from subleasing all or any portion of the underlying assets without the lessors' consents.

The Group also leases land for the manufacturing of products with lease term of 30-50 years in ROC and Vietnam. The lease specifies that payments will be paid in total amount at once, and does not contain purchase option at the end of the contract.

d. Other lease information

	For the Year Ended December 31	
	2024	2023
Expenses relating to short-term leases	$ 7,474	$ 5,555
Total cash outflow for leases	$ (53,835)	$ (59,514)

The Group's lease of office equipment and other equipment qualifies as short-term lease. 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. INVESTMENT PROPERTIES

	Land	Buildings	Total
Cost			
Balance at January 1, 2023	$ 2,014,511	$ 443,372	$ 2,457,883
Additions	-	-	-
Balance at December 31, 2023	$ 2,014,511	$ 443,372	$ 2,457,883
Accumulated depreciation and impairment			
Balance at January 1, 2023	$ -	$ 16,006	$ 16,006
Depreciation expense	-	19,206	19,206
Balance at December 31, 2023	$ -	$ 35,212	$ 35,212
Carrying amount at December 31, 2023	$ 2,014,511	$ 408,160	$ 2,422,671
Cost			
Balance at January 1, 2024	$ 2,014,511	$ 443,372	$ 2,457,883
Additions	-	-	-
Balance at December 31, 2024	$ 2,014,511	$ 443,372	$ 2,457,883
Accumulated depreciation and impairment			
Balance at January 1, 2024	$ -	$ 35,212	$ 35,212
Depreciation expense	-	19,206	19,206
Balance at December 31, 2024	$ -	$ 54,418	$ 54,418
Carrying amount at December 31, 2024	$ 2,014,511	$ 388,954	$ 2,403,465

The Group purchased land and buildings located at No. 199-202, of Xinxing and Zhongxing Sections., Hukou Township, Hsinchu County, for $2,471,817 thousand (including tax) from unrelated parties in December 2021. The title deed of properties was transferred in March 2022.

As of December 31, 2024 and 2023, the security deposit of the operating leases collected by the company was $12,251 thousand and $12,002 thousand, respectively.

The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

	December 31	
	2024	2023
Year 1	$ 64,251	$ 72,039
Year 2	62,632	63,639
Year 3	29,551	62,632
Year 4	29,921	29,551
Year 5	31,029	29,921
	$ 217,384	$ 257,782

The investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Buildings	14-26 years

The fair value of the Group's investment properties was $3,104,411 thousand as of December 31, 2024, and a real estate appraisal review opinion was obtained.

17. OTHER ASSETS

	December 31	
	2024	2023
Non-current		
Prepayments for equipment and construction	$ 236,520	$ 51,715
Prepayments for pension	20,638	14,522
Others	9	22
	$ 257,167	$ 66,259

18. BORROWINGS

Short-term Borrowings

	December 31	
	2024	2023
Unsecured borrowings		
Credit borrowing	$ -	$ 1,819,740

The interest rate of bank loan was 1.53%-1.63% on December 31, 2023.

19. BONDS PAYABLE

	December 31	
	2024	2023
Unsecured domestic convertible bonds	$ 731,448	$ -
Less: Current portion of bonds payable	-	-
	$ 731,448	$ -

The Third Unsecured Domestic Convertible Bonds

On August 23, 2024, the Group issued the third domestic unsecured convertible bonds with a 0% coupon rate. The face value per bond is $100,000, which was issued at 120.85% of its face value. The issuance period is 5 years, with a total of 8,000 bonds issued, amounting to $966,829 thousand.

Each holder of the bonds has the right to convert the bonds into ordinary shares of the Group's ordinary shares at $202 per share. The conversion price after the issuance of convertible bonds will be adjusted according to the anti-dilution clause and conversion rules of the Group. Since December 31, 2024, the conversion price has been adjusted to $200.3 per share. The conversion period is from November 24, 2024, to August 23, 2029. If the bonds are not converted at the time, they will be repaid in cash based on the face value of the bond on the maturity date.

The terms and conditions of the bonds are as follows:

a. Conversion period

   The bondholders may request the conversion into ordinary shares of Group. at any time from the day following 3 months after the issuance date of the convertible bonds (November 24, 2024) until the maturity date (August 23, 2029), except during periods when the transfer of ordinary shares is legally suspended, including but not limited to 15 business days before the suspension of stock transfers for stock dividends, cash dividends, and cash capital increases for subscription until the base date for the distribution of rights, from the base date of capital reduction until the day before the commencement of trading of the exchanged shares following the capital reduction, and any other periods during which the transfer of ordinary shares is suspended in accordance with the law. The request for conversion should be made through the Taiwan Depository & Clearing Corporation to the Group's stock transfer agency in accordance with the issuance and conversion regulations.

b. Conversion price and adjustments

   1) The conversion price was set initially at $202 per share.

   2) Following the issuance of corporate bonds, the conversion price shall be adjusted when the Group’s issued ordinary shares increase, except in cases where ordinary shares are converted through the issuance of marketable securities with conversion or subscription rights. This includes, but is not limited to, capital increases through public offerings or private placements, capital increases from earnings, capital surplus, issuance of new shares for mergers or acquisition of shares in other companies, stock splits, and rights shares issued to support the issuance of overseas depositary receipts. Furthermore, when the Group distributes cash dividends on ordinary shares, the conversion price shall be adjusted on the ex-dividend date. Additionally, if the Group reissues various securities with conversion or subscription rights to ordinary shares at a price lower than the current share price, the conversion price shall be adjusted accordingly. In the event of a capital reduction, other than the retirement of treasury stock, resulting in a reduction in the number of ordinary shares, the conversion price shall be adjusted in accordance with the formula specified in the issuance regulations.

c. Redemption at the option of the Group

If the bonds are not converted between November 24, 2024 and July 14, 2029, and the closing price of ordinary shares has exceeded 30% of the current conversion price for 30 consecutive trading days or when the outstanding balance of the convertible bonds is less than 10% of the original issued total amount, the Group may send a copy of “Debt Rebate Notice” with expiration of one month by registered mail at any time. The aforementioned period is calculated from the delivery of mail, and the expiration date of the period is determined as the base date for recovery of bonds. The Group have to redeem the bonds at their par value in cash within 5 trading days following the base date.

If the bondholders has not replied in writing (immediate effect upon service; postmark will be used as proof) to the Group's agent while adopting the expiry date of notice period as its conversion base date. Upon request, the Group shall redeem the private placement convertible bonds for cash within five trading days after the base date of recovery.

d. Redemption at the option of the bondholders

The bondholders may opt for early redemption of the bonds after hold three years from date of issuance, August 23, 2027, it shall be the base date for early redemption of the bonds. The Group should send a copy of “Notice of Put Provision” to the bondholders by registered mail (immediate effect upon service; postmark will be used as proof) within 40 days before the base date of redemption, July 14, 2027, and the bondholders may require the Group's agent to redeem the bonds at 101.51% par value of the bonds in cash. Upon receiving the request for redemption, the Group have to redeem the bonds in cash within 5 business days after the redemption date.

The convertible bonds contain both liability and equity components. The equity component is presented in equity under the heading of capital surplus - options. The effective interest rate of the liability components was 1.9296% per annum on initial recognition.

Issue price (less transaction costs of $2,988 thousand)	$ 963,841
Equity components (less transaction costs allocated to the liability component of $726 thousand)	(233,543)
Redemption rights and PUT value	(3,840)
Components of liabilities at issue date (less transaction costs allocated to the liability component of $2,262 thousand)	726,458
Discounts on bonds payable	4,990
Components of liabilities at December 31, 2024	$ 731,448

20. ACCOUNTS PAYABLE

	December 31	
	2024	2023
Accounts payable		
Operating	$ 2,555,315	$ 2,234,118

The average credit period is 120 to 150 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

21. OTHER LIABILITIES

	December 31	
	2024	2023
Current		
Other payables		
Payables for salaries and bonus	$ 274,351	$ 246,647
Payables for bonus to employees and directors	109,000	77,012
Payables for consumable	67,052	63,568
Payables for processing fees	12,973	38,125
Payables for purchase of equipment	83,677	21,262
Payables for mold and fixture fees	66,158	41,793
Payables for commission	4,673	-
Payables for repairs and maintenance	16,458	12,682
Payables for transport costs	8,751	8,213
Payables for samples	10,882	10,565
Others	169,809	170,254
	$ 823,784	$ 690,121

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

Shin Zu Shing Precision Electron (Suzhou) Co., Ltd., Shin Zu Shing Precision Electron (Chongqing) Co., Ltd., Kunshan Jengjea Computer Fittings Co., Ltd., Dongguan Chengyue Computer Fittings Co., Ltd., Redstar Precision Electorn (Fuqing) Co., Ltd., and Shin Zu Shing (Bac Giang) Company Limited, participate in the local government pension plan in accordance with local laws and regulations. A certain percentage of the employee's salary is regularly allocated to the local government for pension. The Group's obligation to the government-run retirement benefit plan is to contribute a specified amount only.

b. Defined benefit plans

The defined benefit plan adopted by the Group in accordance with the Labor Standards Law is operated by the government. 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 6.45% of total monthly salaries and wages 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 amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2024	**2023**
Present value of defined benefit obligation	$ 22,737	$ 25,649
Fair value of plan assets	(43,375)	(40,171)
Contribution (surplus)	(20,638)	(14,522)
Net defined benefit assets	$ (20,638)	$ (14,522)

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities (Assets)**
Balance at January 1, 2023	$ 26,355	$ (36,723)	$ (10,368)
Service cost			
Current service cost	100	-	100
Net interest expense (income)	395	(578)	(183)
Recognized in profit or loss	495	(578)	(83)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(213)	(213)
Actuarial gain	(258)	-	(258)
Recognized in other comprehensive income	(258)	(213)	(471)
Contributions from the employer	-	(3,600)	(3,600)
Benefits paid	(943)	943	-
Balance at December 31, 2023	25,649	(40,171)	(14,522)
Service cost			
Current service cost	100	-	100
Net interest expense (income)	354	(577)	(223)
Recognized in profit or loss	454	(577)	(123)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(3,373)	(3,373)
Actuarial gain	(1,120)	-	(1,120)
Recognized in other comprehensive income	(1,120)	(3,373)	(4,493)
Contributions from the employer	-	(1,500)	(1,500)
Benefits paid	(2,246)	2,246	-
Balance at December 31, 2024	$ 22,737	$ (43,375)	$ (20,638)

Through the defined benefit plans under the Labor Standards Law, 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 and corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

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

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

	December 31	
	2024	**2023**
Discount rate(s)	1.5%	1.375%
Expected rate(s) of salary increase	2.5%	2.500%

If possible reasonable changes 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	$ (561)	$ (667)
0.25% decrease	$ 582	$ 693
Expected rate(s) of salary increase		
0.25% increase	$ 565	$ 673
0.25% decrease	$ (548)	$ (651)

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	$ -	$ 3,600
The average duration of the defined benefit obligation	10 years	10.6 years

The employee retirement fund of the Group has been adequately funded; therefore, an application to suspend further contributions for the year 2024 has been submitted and approved.

23. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2024	2023
Number of shares authorized (in thousands)	250,000	250,000
Shares authorized	$ 2,500,000	$ 2,500,000
Number of shares issued and fully paid (in thousands)	195,748	187,748
Shares issued	$ 1,957,483	$ 1,877,483

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

The change in the Group's share capital is mainly due to issue common shares for capital injection in cash.

On March 1, 2024, the Group's board of directors resolved to issue 8,000 thousand ordinary shares with a par value of $10, totaling NT$80,000 thousand. On May 15, 2024, the above case was approved by the Financial Supervisory Commission Order Ref. No. 1130341655, and the subscription base date was determined by the board of directors to be September 20, 2024.The shares were issued for a consideration of $170 per share which increased the share capital issued and fully paid to $1,360,000 thousand.

b. Capital surplus

	December 31	
	2024	2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Issuance of ordinary shares	$ 1,318,880	$ -
Forfeited employee share options	38,162	38,162
Conversion of bonds	1,487,653	1,769,276
May only be used to offset a deficit		
Share of changes in capital surplus of associates	12	12
May not be used for any purpose		
Convertible bonds share options	233,543	-
	$ 3,078,250	$ 1,807,450

Note: 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 capital surplus and to once a year).

c. Retained earnings and dividend policy

Under the dividends policy as set forth in the amended Articles, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonuses to shareholders. For the policies on distribution of compensation of employees and remuneration of directors and supervisors before and after amendment, refer to employee benefits expense in Note 25(f) and compensation of employees and remuneration of directors in Note 25(g).

Dividends are recommended by the board of directors in accordance with the Company's dividend policy. Under this policy, industry trends and growth should be evaluated, investment opportunities should be fully understood, and proper capital adequacy ratios should be considered in determining the dividends to be distributed. In addition, cash dividends should not be less than 10% of the total dividends to be appropriated.

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 deficits. 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.

According to the Ministry of Economic Affairs Order Ref. No. 10802432410 dated January 9, 2010, the Company calculates the net profit after tax plus other accounts into the current year undistributed earnings as base of the appropriation for special reserve.

The Company makes appropriations and reversals related to special reserve in accordance to the Financial Supervisory Commission Order Ref. No. 1010012865, No. 1010047490, and No. 1030006415, along with "Frequently asked questions and answers regarding appropriation for special reserve after application of IFRS Accounting Standards".

The appropriations of earnings for 2023 and 2022 approved in the shareholders' meetings on June 18, 2024 and June 7, 2023, respectively, were as follows:

	Appropriation of Earnings		**Dividends Per Share (NT$)**	
	For Fiscal Year 2023	**For Fiscal Year 2022**	**For Fiscal Year 2023**	**For Fiscal Year 2022**
Legal reserve	$ 82,526	$ 135,063	$ -	$ -
Appropriate (reserve) special reserve	25,931	(72,612)	-	-
Cash dividends (distributed by unappropriated earnings)	469,371	563,245	2.5	3.0

At the shareholders' meetings held on June 18, 2024, and June 7, 2023, respectively, the shareholders of the Company resolved to use its additional paid-in capital of $281,623 thousands ($1.5 per share) and $563,245 thousands ($3.0 per share) to distribute as cash dividends.

The appropriation of earnings for 2024 proposed by the Company's board of directors on April 2025.

The appropriation of earnings for 2024 is subject to the resolution of the shareholders in the shareholders' meeting to be held on June 2025.

d. Other equity items

1) Exchange differences on translation

	For the Year Ended December 31	
	2024	2023
Balance at January 1	$ (292,952)	$ (227,649)
The disposal gain of a foreign operation is classified in profit or loss	(612)	-
Exchange differences on the translation of net asset of foreign operations	168,078	(65,303)
Balance at December 31	$ (125,486)	$ (292,952)

2) Unrealized loss on financial assets at FVTOCI

	For the Year Ended December 31	
	2024	2023
Balance at January 1	$ (53,378)	$ (92,750)
Recognized during the year		
Unrealized loss - equity instruments	2,563	56,760
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	(7,225)	(17,388)
Balance at December 31	$ (58,040)	$ (53,378)

24. REVENUE

	For the Year Ended December 31	
	2024	2023
Revenue from contracts with customers		
Revenue from sale of goods	$ 13,327,345	$ 10,067,747
Contract balances		
Accounts receivable (Note 10)	$ 5,271,462	$ 4,066,896
Accounts receivable from related parties (Note 32)	6,615	1,394
	$ 5,278,077	$ 4,068,290
Contract liabilities (booked under other current liabilities)		
Sale of goods	$ 572	$ 13,183

Refer to Note 36 for the details of revenue.

25. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations was attributable to:

a. Interest income

	For the Year Ended December 31	
	2024	2023
Bank deposits	$ 40,576	$ 20,956
Financial assets at amortized cost	89,127	114,828
Others	99	821
	$ 129,802	$ 136,605

b. Other income

	For the Year Ended December 31	
	2024	2023
Dividends income	$ 15,280	$ 18,748
Rental income	73,523	49,691
Others	169,943	65,278
	$ 258,746	$ 133,717

c. Other gains and losses

	For the Year Ended December 31	
	2024	2023
Net foreign exchange gain	$ 184,010	$ 72,351
Fair value changes of financial assets and financial liabilities		
Investments in debt instruments at FVTPL	(40,098)	(62,350)
Gain on disposal of financial assets		
Investments in debt instruments at FVTPL	1,596	9,929
Gain on disposal of property, plant and equipment	138,889	1,603
Gain (loss) on disposal of associates	612	(13,885)
Gain on lease modification	74	539
Others	(8,739)	(1,359)
	$ 276,344	$ 6,828

d. Finance costs

	For the Year Ended December 31	
	2024	2023
Interest on bank loans	$ 21,681	$ 20,882
Interest on the convertible bonds	4,990	-
Interest on lease liabilities	2,379	2,468
	$ 29,050	$ 23,350

e. Depreciation and amortization

	For the Year Ended December 31	
	2024	**2023**
Property, plant and equipment	$ 477,501	$ 527,958
Right-of-use assets	45,213	49,700
Investment properties	19,206	19,206
	$ 541,920	$ 596,864
An analysis of depreciation and amortization by function		
Operating costs	$ 414,623	$ 466,298
Operating expenses	127,297	130,566
	$ 541,920	$ 596,864

f. Employee benefits expense

	For the Year Ended December 31	
	2024	**2023**
Post-employment benefits (Note 22)		
Defined contribution plans	$ 100,389	$ 88,929
Defined benefit plans	123	83
	100,512	89,012
Termination benefits	471	1,643
Remuneration of directors	9,225	9,234
Other employee benefits	2,222,742	1,773,045
	2,232,438	1,783,922
	$ 2,332,950	$ 1,872,934
An analysis of employee benefits expense by function		
Operating costs	$ 1,800,464	$ 1,453,193
Operating expenses	532,486	419,741
	$ 2,332,950	$ 1,872,934

g. Compensation of employees and remuneration of directors for 2024 and 2023

The Company accrued compensation of employees and remuneration of directors at the rates no less than 2%, and remuneration of directors at the rates no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and remuneration of directors for the years ended December 31, 2024 and 2023 which were been approved by the Company’s board of directors were as follows:

Accrual rate

	For the Year Ended December 31	
	2024	**2023**
Compensation of employees	5.00%	6.00%
Remuneration of directors	0.47%	0.79%

Amount

	For the Year Ended December 31	
	2024	2023
Compensation of employees	$ 100,000	$ 68,012
Remuneration of directors	9,000	9,000
	$ 109,000	$ 77,012

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.

Information on the compensation of employees and remuneration of directors in 2024 and 2023 resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

26. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Year Ended December 31	
	2024	2023
Current tax		
In respect of the current year	$ 438,206	$ 388,078
Income tax on unappropriated earnings	872	48,217
Adjustments for prior year	5,779	(8,514)
Tax refund according to Regulations Governing the Management, Utilization, and Taxation of Repatriated Offshore Funds	-	(10,701)
Deferred tax		
In respect of the current period	71,294	(61,314)
Income tax expense recognized in profit or loss	$ 516,151	$ 355,766

A reconciliation of accounting profit and current income tax expenses is as follows:

	For the Year Ended December 31	
	2024	2023
Profit before tax from continuing operations	$ 1,875,483	$ 1,163,170
Income tax expense calculated at the statutory rate	$ 375,097	$ 232,634
Tax effect of adjusting items:		
Tax-exempt income	(5,226)	(5,619)
Unrecognized temporary differences	(3,342)	(15,640)
Non-additive (income) loss in determining taxable income	(50)	20,138
Tax refund due to Regulations Governing the Management, Utilization, and Taxation of Repatriated Offshore Funds	-	(10,701)

(Continued)

	For the Year Ended December 31	
	2024	2023
Income tax of unappropriated earnings	$ 872	$ 48,217
Tax of controlled foreign company income	75,732	-
Effects of different tax rate of group entities operating in other jurisdictions	67,289	95,251
Adjustments for prior years' tax	5,779	(8,514)
Income tax expense recognized in profit or loss	$ 516,151	$ 355,766

(Concluded)

b. Current income tax liabilities

	December 31	
	2024	2023
Current tax liabilities		
Income tax payable	$ 218,497	$ 22,828

c. Deferred tax assets and liabilities

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

For the year ended December 31, 2024

	Opening Balance	Recognized in Profit or Loss	Closing Balance
Deferred tax assets			
Unrealized allowance loss on inventories	$ 8,658	$ -	$ 8,658
Unrealized foreign exchange loss	10,295	(10,295)	-
Unrealized gross profit (loss) from affiliated company	806	(244)	562
Others	67,467	(45,972)	21,495
	$ 87,226	(56,511)	$ 30,715
Deferred tax liabilities			
Unrealized foreign exchange gain	$ -	$ 9,962	$ 9,962
Associates	414,456	4,821	419,277
	$ 414,456	$ 14,783	$ 429,239

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Closing Balance
Deferred tax assets			
Unrealized allowance loss on inventories	$ 15,280	$ (6,622)	$ 8,658
Unrealized foreign exchange loss	16,380	(6,085)	10,295
Unrealized gross profit from affiliated company	250	556	806
Others	91,467	(24,000)	67,467
	$ 123,377	$ (36,151)	$ 87,226
Deferred tax liabilities			
Associates	$ 511,921	$ (97,465)	$ 414,456

d. Income tax assessments

The tax returns of Shin Zu Shing Co., Ltd. through 2022 have been assessed by the tax authorities.

The tax returns of Heng Xing Investment Co., Ltd. through 2022 have been assessed by the tax authorities.

The tax returns of Ding Ying Investment Co., Ltd. through 2022 have been assessed by the tax authorities.

27. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share from continuing operations were as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2024	2023
Profit for the year attributable to owners of the Company	$ 1,359,332	$ 807,404
Effect of potentially dilutive ordinary shares		
Compensation of employees	-	-
Convertible corporate bonds	4,631	-
Earnings used in the computation of diluted earnings per share	$ 1,363,963	$ 807,404

Number of Shares

	For the Year Ended December 31	
	2024	**2023**
Weighted average number of ordinary shares used in the computation of basic earnings per share	190,006	187,748
Effect of potentially dilutive ordinary shares		
Compensation of employees	476	551
Convertible corporate bonds	1,423	-
Weighted average number of ordinary shares used in the computation of diluted earnings per share	191,905	188,299

The Group may settle the compensation paid to employees by cash or shares; therefore, the Group presumes that the entire amount of the compensation will be settled in shares and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the shares had a dilutive effect. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

28. CASH FLOW INFORMATION

Non-cash Transactions

Except for those disclosed in other notes, the Group entered into the following non-cash investing and financing activities which were not reflected in the consolidated statements of cash flows for the years 2024 and 2023:

	For the Year Ended December 31	
	2024	**2023**
Purchase of property, plant, and equipment		
Increase in property, plant and equipment	$ 728,613	$ 110,720
(Increase) decrease in payables on equipment	(62,415)	7,147
Payment of cash	$ 666,198	$ 117,867

29. SHARE-BASED PAYMENT ARRANGEMENTS

Issuance of Shares from Cash Capital Increase Reserved for Employee Subscription

In July 2024, the Chairman resolved to issue 8,000 thousand ordinary shares for cash and reserved 1,200 thousand shares for employee subscription. For the waiver of subscribed shares by employees or the undersubscribed portion, the chairman was authorized to designate specific parties for the subscription.

Black-Scholes pricing model was used for the issuance of shares from cash capital increase reserved for employee subscription, and the inputs to the model were as follows:

	August 2024
Grant-date share price	$198
Exercise price	$170
Expected volatility	55.47%
Expected life (in years)	0.118
Risk-free interest rate	1.3549%

The aforementioned options granted to employees, in relation to the issuance of cash capital increase reserved for employee subscription of shares, are accounted for and measured at the fair value on the grant date, in accordance with International Financial Reporting Standard No. 2, "Share-based Payments." The recognized employee compensation cost amounts to 38,880 thousand dollars and will be transferred to the capital surplus under the ordinary share premium account upon receipt of the full payment for the shares.

30. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

Key management personnel of the Group review the capital structure on an annual basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of new debt issued or existing debt redeemed.

31. FINANCIAL INSTRUMENTS

a. 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 FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 220,964	$ -	$ -	$ 220,964
Domestic unlisted shares	-	-	514,440	514,440
Foreign unlisted shares	-	-	17,912	17,912
	$ 220,964	$ -	$ 532,352	$ 753,316
Financial assets at FVTPL				
Domestic listed shares	$ 182,133	$ -	$ -	$ 182,133
Financial liabilities at FVTPL				
Derivative financial assets				
Put option on convertible bonds	$ -	$ -	$ 4,640	$ 4,640

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 227,632	$ -	$ -	$ 227,632
Domestic unlisted shares	-	-	511,440	511,440
Foreign unlisted shares	-	-	17,308	17,308
	$ 227,632	$ -	$ 528,748	$ 756,380
Financial assets at FVTPL				
Domestic listed shares	$ 195,695	$ -	$ -	$ 195,695
Financial liabilities at FVTPL				
Derivatives financial liabilities				
Cross-currency swap contracts	$ -	$ -	$ 1,052	$ 1,052

There were no transfers between Levels 1 and 2 in the current and prior periods.

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

Financial Instruments	Valuation Techniques and Inputs
Derivatives - currency swaps 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.

The fair values of redemption options and put options of domestic convertible bonds were determined using option pricing models where the significant unobservable input is historical volatility. An increase in the historical volatility used in isolation would result in an increase in the fair value. At December 31, 2024, the ranges of historical volatility used were 59.23%-60.84%.

b. Categories of financial instruments

	December 31	
	2024	2023
Financial assets		
FVTPL	$ 182,133	$ 195,695
Financial assets at amortized cost (1)	11,443,372	10,590,006
Financial assets at FVTOCI		
Equity instruments	753,316	756,380
Financial liabilities		
FVTPL	4,640	1,052
Amortized cost (2)	4,473,753	5,128,932

1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes receivables, Accounts receivable, Accounts receivable from related parties, other receivables, financial assets at amortized cost - current and refundable deposits.

2) The balances included financial liabilities measured at amortized cost, which comprise short-term loans, notes payable, Accounts payable, Accounts payable from related parties, other payables, other payables from related parties, bonds payable and guarantee deposits received.

c. Financial risk management objectives and policies

The Group's major financial instruments included equity and debt investments, notes receivables, Accounts receivable (including related parties), other receivables, notes payable, Accounts payable (including related parties), other payables (including related parties), borrowings, corporate bonds payable and lease liabilities. 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 market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provided written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The corporate treasury function reported quarterly to the Group's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

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 (includes cross-currency swap contracts and structured deposits) to manage its exposure to foreign currency risk and interest rate risk.

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The Group has foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures are managed within approved policy parameters through cross-currency swap contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are disclosed in Note 34.

Sensitivity analysis

The Group was mainly exposed to the USD and EUR.

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included cross-currency swap contracts and structured deposits designated as cash flow hedges, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in post-tax profit and other equity associated with the New Taiwan dollar strengthening 1% against the relevant currency. For a 1% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on post-tax profit and other equity and the balances below would be negative.

	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*	$ 45,854	$ 26,074	$ 63	$ (156)

i. This was mainly attributable to the exposure on outstanding USD assets and liabilities, which were not hedged at the end of the reporting period.

ii. This was mainly attributable to the exposure on outstanding EUR assets and liabilities, which were not hedged at the end of the reporting period.

b) Interest rate risk

The Group is exposed to interest rate risk because the entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings and using interest rate swap contracts and forward interest rate contracts.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows.

	December 31	
	2024	**2023**
Fair value interest rate risk		
Financial assets		
Financial assets at amortized cost	$ 3,869,500	$ 3,764,118
Financial liabilities		
Bonds payable	731,448	-
Cash flow interest rate risk		
Financial liabilities		
Borrowings	-	1,819,740

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 0.25% basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.25% basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2024 would have decreased by $0 thousand, which was mainly attributable to the Group's exposure to interest rates on its floating rate bank deposits and bank borrowings.

If interest rates had been 0.25% basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2023 would have decreased by $4,549 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its floating rate bank deposits and bank borrowings.

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. As at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group could be equal to the total of the following:

a) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and

b) The amount of contingent liabilities in relation to financial guarantees issued by the Group.

The Group adopted a policy of only dealing with entities that have high credit ratings, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit rating information is obtained from independent rating agencies where available, or if such information is not available, the Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by management annually.

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and 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 counterparties for transactions of current assets and financial assets are bank with the high credit ratings from international credit rating agencies, therefore the credit risk should be fairly limited.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2024 and 2023, the Group had available unutilized overdraft and short-term bank loan facilities is $4,685,080 thousand and $3,403,135 thousand, respectively.

a) Liquidity and interest rate risk tables

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon 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 maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the year.

December 31, 2024

	Weighted Interest Average Effective Rate (%)	**Less than 3 Months**	**3 Months to 1 Year**	**1 Year +**
Non-derivative liabilities				
Lease liabilities	0.39%-4.50%	$ 10,242	$ 27,829	$ 21,034
Convertible bonds	1.9296%	-	-	731,448

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	**1-5 Years**	**5-10 Years**
Lease liabilities	$ 38,071	$ 21,034	$ -

December 31, 2023

	Weighted Interest Average Effective Rate (%)	**Less than 3 Months**	**3 Months to 1 Year**	**1 Year +**
Non-derivative liabilities				
Float interest rate liabilities	1.53%-1.63%	$ 1,514,364	$ 309,984	$ -
Lease liabilities	0.39%-4.65%	8,233	22,231	31,206

Further information on the maturity analysis of the above financial liabilities are as follows:

	Less than 1 Year	**1-5 Years**	**5-10 Years**
Lease liabilities	$ 30,464	$ 31,206	$ -

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

The following table detailed the Group's liquidity analysis for its derivative financial instruments. The table was based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis. When the amount payable or receivable is not fixed, the amount disclosed is determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

December 31, 2023

	Less Than 3 Month	3 Months to 1 Year	1+ Years
Net settled			
Cross-currency swap	$ 3,650	$ (4,702)	$ -

c) Financing facilities

	December 31	
	2024	2023
Unsecured bank overdraft facilities, reviewed annually and payable on demand:		
Amount used	$ -	$ 1,819,740
Amount unused	4,685,080	3,403,135

32. RELATED-PARTY TRANSACTIONS

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

a. Related party name and category

Related Party Name	Relationship with the Company
Jochu Technology (Vietnam) Co., Ltd.	Related party in substance
Taiwan Truewin Technology Co., Ltd	Related party in substance
Jochu Technology Co., Ltd.	Related party in substance
Suzhou Xinglianyi Metal Technology Co., Ltd.	Related party in substance
Taiwan Truewin Technology Co., Ltd.	Related party in substance

b. Sales of goods

		For the Year Ended December 31	
Line Item	Related Party Category/Name	2024	2023
Sales	Related party in substance	$ 6,918	$ 1,820

The product type of sales to related parties is different from that of general customers, so there is no basis for comparison of the transaction amount. The payment conditions are about 120 days from the end of the next month, which is the same as that of general customers.

c. Purchase of goods

Related Party Category/Name	For the Year Ended December 31 2024	2023
Related party in substance		
Suzhou Xinglianyi Metal Technology Co., Ltd.	$ 1,055,671	$ 621,041
Jochu Technology (Vietnam) Co., Ltd.	7,732	422
	$ 1,063,403	$ 621,463

Purchase prices and payment terms offered by related parties were similar with those offered by third parties, the payment conditions are about 120 days from the end of the next month.

d. Accounts receivable from related parties (excluding loans to related parties)

Line Item	Related Party Category/Name	December 31 2024	2023
Accounts receivable	Related party in substance	$ 6,615	$ 1,394

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

Line Item	Related Party Category/Name	December 31 2024	2023
Accounts payable	Related party in substance		
	Suzhou Xinglianyi Metal Technology Co., Ltd.	$ 339,359	$ 359,546
	Jochu Technology (Vietnam) Co., Ltd.	2,549	407
		$ 341,908	$ 359,953

f. Other payables to related parties

Related Party Category/Name	December 31 2024	2023
Related party in substance	$ 924	$ 2,280

g. Prepayments

Related Party Category/Name	December 31 2024	2023
Related party in substance	$ 19,200	$ 1,980

h. Acquisition of property, plant and equipment

Related Party Category/Name	December 31 2024	2023
Related party in substance	$ -	$ 333

i. Guarantee deposits

Related Party Category/Name	December 31 2024	December 31 2023
Related party in substance		
Jochu Technology Co., Ltd.	$ 2,524	$ 2,524
Taiwan Truewin Technology Co., Ltd	4,925	-
	$ 7,449	$ 2,524

j. Other gains and losses

Line Item	Related Party Category/Name	For the Year Ended December 31 2024	For the Year Ended December 31 2023
Rental income	Related party in substance		
	Jochu Technology Co., Ltd.	$ 15,825	$ 15,825
	Taiwan Truewin Technology Co., Ltd	29,551	-
		$ 45,376	$ 15,825

The rental income between related parties is calculated in accordance to the contract, and is collected on a monthly basic.

k. Other income

Line Item	Related Party Category/Name	For the Year Ended December 31 2024	For the Year Ended December 31 2023
Other income	Related party in substance	$ 7,465	$ 3,807

l. Sample and molds making

Line Item	Related Party Category/Name	For the Year Ended December 31 2024	For the Year Ended December 31 2023
Manufacturing overhead	Related party in substance	$ 1,347	$ 3,675

m. Operating expense

Line Item	Related Party Category/Name	For the Year Ended December 31 2024	For the Year Ended December 31 2023
Operating expense	Related party in substance	$ 75	$ -

n. Compensation of key management personnel

The amounts of remuneration of directors and key executives were as follows:

	For the Year Ended December 31	
	2024	2023
Short-term benefits	$ 50,388	$ 46,356
Post-employment benefits	759	699
Other long-term benefits	15,000	18,000
	$ 66,147	$ 65,055

The remuneration of directors and key executives, as determined by the remuneration committee, was based on the performance of individuals and market trends.

33. OTHER ITEMS

On February 15, 2023, the president of the ROC announced the amendments to the “Climate Change Response Act”, which added the provision of carbon fee collection. Subsequently, the Ministry of Environment announced the “Regulations Governing the Collection of Carbon Fees”, “Regulations for Administration of Voluntary Reduction Plans” and “Designated Greenhouse Gas Reduction Goal for Entities Subject to Carbon Fees” on August 29, 2024 and the carbon fee rate on October 21, 2024. The fees will be levied starting from January 1, 2025. Based on the emissions of the Group in 2023, the Group expects that it will not be the entity subject to carbon fees.

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant financial assets and liabilities of entities in Group denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

(Unit: In Thousands of Foreign Currencies and New Taiwan Dollars)

December 31, 2024

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 149,148	32.785 (USD:NTD)	$ 4,889,803
USD	69,093	7.1884 (USD:RMB)	2,265,211
JPY	23,050	0.2099 (JPY: NTD)	4,838
EUR	185	34.14 (EUR:NTD)	6,301
Financial liabilities			
Monetary items			
USD	59,907	32.785 (USD:NTD)	1,964,043
USD	18,472	7.1884 (USD:RMB)	605,608
JPY	9,682	0.2099 (JPY:NTD)	2,032

December 31, 2023

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 119,116	30.705 (USD:NTD)	$ 3,657,469
USD	59,476	7.0827 (USD:RMB)	1,826,209
USD	10	1.3184 (USD:SGP)	306
EUR	97	33.98 (EUR:NTD)	3,310
SGD	58	23.29 (SGD:NTD)	1,351
Financial liabilities			
Monetary items			
USD	79,706	30.705 (USD:NTD)	2,447,384
USD	13,980	7.0827 (USD:RMB)	429,249
JPY	16,151	0.2172 (JPY:NTD)	3,508
EUR	555	33.98 (EUR:NTD)	18,868

For the years ended December 31, 2024 and 2023, net foreign exchange gain was $184,010 thousand and $72,351 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities.

35. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and b) information on investees:

1) Lending funds to others. (None)

2) Providing endorsements or guarantees for others. (None)

3) Holding of securities at the end of the period (excluding investments in subsidiaries, associates and joint ventures). (Table 1)

4) Aggregate purchases or sales of the same securities reaching NT$300 million or 20 percent of paid-in capital or more. (None)

5) Acquisition of real estate reaching NT$300 million or 20 percent of paid-in capital or more. (None)

6) Disposal of real estate reaching NT$300 million or 20 percent of paid-in capital or more. (None)

7) Purchases or sales of goods from or to related parties reaching NT$100 million or 20 percent of paid-in capital or more. (Table 3)

8) Accounts receivable from related parties reaching NT$100 million or 20 percent of paid-in capital or more. (Table 4)

9) Trading in derivative instruments (None)

10) Others: The business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions between them. (Table 2)

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, shareholding ratio, investment gain or loss, carrying amount of the investment at the end of the period, repatriated investment gains, and limit on the amount of investment in the mainland China area. (Table 5)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses. (Table 6)

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. Intercompany relationships and significant intercompany transactions (Table 7)

e. Information of 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 (Table 8)

36. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group’s reportable segments under IFRS 8 “Operating Segments” were as follows:

Hinge products - design, manufacture, testing and sales of hinge products for various components (including NB, LCD, and 3C hinge products and other parts such as various springs, stamping parts), for different types of laptops or consumer electronic products.

Milling products - utilizing advanced CNC lathes and milling equipment, employing digital signal operation systems to control automated production of various precision parts, including research and development, production, testing, manufacturing, and trading. Primarily applied in various computer, electronic, and electric-assisted bicycle components.

MIM products - design, manufacture, testing and sales of parts produced through combining powder metallurgy and injection molding technology (as in the process of injecting metal to form mold in the shape desired) for different types of laptops or consumer electronic products.

a. Segment revenues and results

	Segment Revenue		Segment Profit	
	For the Year Ended December 31		For the Year Ended December 31	
	2024	2023	2024	2023
Hinge products	$ 12,845,711	$ 9,522,192	$ 1,770,202	$ 1,339,387
Milling products	112,829	101,941	(16,739)	(21,998)
MIM products	178,218	353,062	(44,957)	(35,548)
Others	190,587	90,552	82,457	88,497
	$ 13,327,345	$ 10,067,747	1,790,963	1,370,338
Other gains and losses			276,344	6,828
Interest income			129,802	136,605
Other income			258,746	133,717
Headquarters management costs and director remuneration			(537,612)	(461,454)
Financial costs			(29,050)	(23,350)
Share of profit or loss of subsidiaries and associates			(13,710)	486
Profit before tax			$ 1,875,483	$ 1,163,170

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales for the years ended December 31, 2024 and 2023.

Departmental profit refers to the profit earned by each department, excluding headquarters management costs and director remuneration, other gains and losses, interest income, other income, financial costs and share of profit or loss of subsidiaries and associates. This measure is provided to key operational decision makers to allocate resources to departments and measure their performance.

b. Total segment assets and liabilities

	December 31	
	2024	2023
Segment assets		
Hinge products	$ 17,409,076	$ 15,245,443
Milling Products	164,619	165,505
MIM products	652,688	1,138,098
Others	41,009	27,522
	$ 18,267,392	$ 16,576,568
Segment liabilities		
Hinge products	$ 3,731,872	$ 3,439,980
Milling Products	35,243	37,407
MIM products	139,798	256,988
Others	9,007	6,359
	$ 3,915,920	$ 3,740,734

For the purpose of monitoring segment performance and allocating resources between segments:

1) All assets were allocated to reportable segments other than interests in associates accounted for using the equity method, other financial assets, and current and deferred tax assets. Assets used jointly by reportable segments were allocated on the basis of the revenue earned by individual reportable segments; and

2) All liabilities were allocated to reportable segments other than borrowings, other financial liabilities, current and deferred tax liabilities. Liabilities for which reportable segments are jointly liable were allocated in proportion to segment assets.

c. Other segment information

Other information reviewed by the chief operating decision maker or regularly provided to the chief operating decision maker was as following:

	Depreciation and Amortization For the Year Ended December 31		Additions to Non-current Assets December 31	
	2024	**2023**	**2024**	**2023**
Hinge products	$ 476,983	$ 523,334	$ 1,081,381	$ 695,089
Milling products	4,370	8,799	19,672	-
MIM products	60,567	64,731	60,383	14,396
	$ 541,920	$ 596,864	$ 1,161,436	$ 709,485

d. Revenue from major products and services

The following is an analysis of the Group’s revenue from continuing operations from its major products and services.

	December 31	
	2024	**2023**
Hinge products	$ 12,845,711	$ 9,522,192
Milling Products	112,829	101,941
MIM products	178,218	353,062
Others	190,587	90,552
	$ 13,327,345	$ 10,067,747

e. Geographical information

The Group generates revenue from three principal geographical areas - Taiwan, Asia, Americas, and Europe.

The Group's revenue from continuing sources from external customers by location of sources and information on 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	$ 271,176	$ 236,992	$ 7,693,921	$ 7,553,656
Asia	12,934,172	9,676,813	820,172	367,901
America	109,401	139,333	-	-
Europe	12,596	14,609	-	-
	$ 13,327,345	$ 10,067,747	$ 8,514,093	$ 7,921,557

Non-current assets exclude non-current assets classified as held for sale, and exclude financial instruments, investments accounted for using equity method, deferred tax assets, post-employment benefit assets, and assets arising from insurance contracts.

f. Information on major customers

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

	For the Year Ended December 31 2024		For the Year Ended December 31 2023	
Client	Amount	% of Net Revenue	Amount	% of Net Revenue
Company A	$ 4,528,682	34	$ 3,013,840	30

SHIN ZU SHING CO., LTD. AND SUBSIDIARIES

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Heng Xing Investment Co., Ltd.	Jochu Technology Co., Ltd.	Related party in substance	Financial assets at fair value through other comprehensive income - non-current	9,124	$ 210,764	10.22	$ 210,764	
	Nan Juen International Co., Ltd.	None	〃	60	10,200	-	10,200	
	Anpec Electronics Corp.	〃	Financial assets at FVTPL - current	290	49,590	-	49,590	
	TaiDoc Technology Corp	〃	〃	260	37,830	-	37,830	
	Delta Electronics, Inc.	〃	〃	10	4,305	-	4,305	
	Sinopower Semiconductor Inc.	〃	〃	11	1,050	-	1,050	
	Innodisk Corporation.	〃	〃	70	15,262	-	15,262	
	Hong Yi Fiber Ind. Co., Ltd.	〃	〃	1,900	29,165	1.43	29,165	
	Compal Electronics, Inc.	〃	〃	125	4,706	-	4,706	
	Sinbon Electronics Company Ltd.	〃	〃	30	7,860	-	7,860	
	Aetina Corporation	〃	〃	1	25	-	25	
Shin Zu Shing Precision Electron (Suzhou) Co., Ltd.	Suzhou Xinglianyi Metal Technology Co., Ltd.	Related party in substance	Financial assets at fair value through other comprehensive income - non-current	-	17,912	16.67	17,912	
Ding Ying Investment Co., Ltd.	Foresight Energy Technologies Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	8,500	226,440	16.35	226,440	
	Taiwan Truewin Technology Co., Ltd	Related party in substance	〃	4,964	285,000	7.82	285,000	
	Ye Soon Technology Co., Ltd.	None	〃	300	3,000	13.04	3,000	
	Coremax Corporation	〃	Financial assets at FVTPL - current	600	32,340	-	32,340	

SHIN ZU SHING CO., LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars or U.S. Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2024			Net Income (Losses) of the Investee	Equity in the Earnings (Losses)	Note
				December 31, 2024	December 31, 2023	Shares (In Thousands)	Percentage of Ownership	Carrying Value			
Shin Zu Shing Co., Ltd.	Time Rise Corp.	Mauritius	Holding, reinvestment	$ 827,881	$ 827,881	24,080	100	$ 2,502,534	$ 220,091	$ 220,091	
	Magic Timing Technology Limited	British Virgin Islands	International trading	1,581	1,581	50	100	195,253	7,784	7,784	
	Up Hill International Limited	Samoa	International trading	33,278	33,278	1,000	100	57,201	2,657	2,657	
	Spring Vision Technology Corp.	British Virgin Islands	International trading	3,220	3,220	-	100	5,662	(296)	(296)	
	Heng Xing Investment Co., Ltd.	New Taipei City	Investment	700,000	700,000	70,000	100	662,846	(7,588)	(7,588)	
	Ding Ying Investment Co., Ltd.	New Taipei City	Investment	800,000	800,000	80,000	100	806,178	(14,900)	(14,900)	
	Amazing Power Limited	Seychelles	Holding, reinvestment	472,555	472,555	7,950	100	728,237	34,904	34,904	
	Cjc Holding Pte Limited	Singapore	Sales of liquid crystal displays, monitor base brackets, shafts and accessories	-	13,720	-	-	-	(1,420)	(1,420)	
	Above Average Limited	Seychelles	International trading	3,172	3,172	100	100	40,493	1,966	1,966	
	Smart Point Co., Ltd.	Seychelles	Investment	460,890	460,890	15,000	100	497,654	5,980	5,980	
Time Rise Corp.	Hamstead Corporation	Mauritius	Holding, reinvestment	US$ 23,330	US$ 23,330	2,333	100	US$ 70,076	US$ 7,232	US$ 7,232	
	Shining Smart International Corp.	British Virgin Islands	Holding, reinvestment	US$ 7,038	US$ 7,038	1	100	US$ 5,938	US$ (379)	US$ (379)	
Amazing Power Limited	Ace Technology Inc.	Seychelles	Holding, reinvestment	US$ 4,710	US$ 4,710	4,710	100	US$ 8,461	US$ (38)	US$ (38)	
	Blossom Enterprise Inc.	Seychelles	Holding, reinvestment	US$ 1,350	US$ 1,350	1,350	100	US$ 5,411	US$ 801	US$ 801	
	Elite Dragon Group Limited	British Virgin Islands	Holding, reinvestment	US$ 5	US$ 5	5	100	US$ 8,362	US$ 336	US$ 336	
Smart Point Co., Ltd.	Shin Zu Shing (Bac Giang) Company Limited	Beijiang Province, Vietnam	Production and sales of other precision bearings and electronics, etc.	US$ 15,000	US$ 11,000	-	100	US$ 14,537	US$ (3)	US$ (3)	
Shining Smart International Corp.	Prosperity Investment Holding Pte. Ltd.	Singapore	Holding, reinvestment	US$ 6,288	US$ 6,288	6,288	25	US$ 5,040	US$ (1,704)	US$ (426)	

TABLE 3

SHIN ZU SHING CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Shin Zu Shing Co., Ltd.	Shin Zu Shing Precision Electron (Suzhou) Co., Ltd.	Subsidiary	Sale	$ 168,174	2	Net 120 days end of the month	The product type of sales is different from that of general customers, so there is no basis for comparison of the transaction amount	The same trading terms as non-related parties	$ 42,401	1	
	Kunshan Jengjea Computer Fittings Co., Ltd.	Subsidiary	Purchase	138,313	2	Net 120 days end of the month	The product type of purchased is different from that of general customers, so there is no basis for comparison of the transaction amount	The same trading terms as non-related parties	(42,531)	(2)	
	Shin Zu Shing Precision Electron (Suzhou) Co., Ltd.	Subsidiary	Purchase	2,194,849	35	Net 120 days end of the month	The product type of purchased is different from that of general customers, so there is no basis for comparison of the transaction amount	The same trading terms as non-related parties	(979,682)	(44)	
	Dongguan Chengyue Computer Fittings Co., Ltd.	Subsidiary	Purchase	169,649	3	Net 120 days end of the month	The product type of purchased is different from that of general customers, so there is no basis for comparison of the transaction amount	The same trading terms as non-related parties	(63,063)	(3)	
	Suzhou Xinglianyi Metal Technology Co., Ltd.	Related party in substance	Purchase	1,045,997	17	Net 120 days end of the month	The product type of purchased is different from that of general customers, so there is no basis for comparison of the transaction amount	The same trading terms as non-related parties	(332,924)	(15)	

TABLE 4

SHIN ZU SHING CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars or RMB)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Shin Zu Shing Precision Electron (Suzhou) Co., Ltd.	Shin Zu Shing Co., Ltd.	Parent and subsidiary	RMB 214,804	2.74	$ -	-	RMB 96,010	$ -

SHIN ZU SHING CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars or U.S. Dollars)

1. Name of the investees in mainland China, main businesses and products, paid-in capital, method of investment, information on inflow or outflow of capital, percentage of ownership, investment income or loss, ending balance of investment, dividends remitted by the investee, and the limit of investment in mainland China:

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2, b, (2))	Carrying Amount as of December 31, 2024	Accumulated Repatriation of Investment Income as of December 31, 2024	Note
					Outward	Inward							
Shin Zu Shing Precision Electron (Suzhou) Co., Ltd.	Production and sales of precision hardware, electronics, molds and plastic, etc.	US$ 48,500	b.	US$ 23,330	$ -	$ -	US$ 23,330	US$ 8,583	100	US$ 8,583	US$ 64,695	US$ 78,154	
Kunshan Jengjea Computer Fittings Co., Ltd.	Production and development of LCD monitor accessories and key laptop components	US$ 5,000	b.	US$ 7,469	-	-	US$ 7,469	US$ (61)	100	US$ (61)	US$ 8,010	US$ 21,970	
Dongguan Chengyue Computer Fittings Co., Ltd.	Production and sales of computer accessories	US$ 1,200	b.	US$ 4,312	-	-	US$ 4,312	US$ 336	100	US$ 336	US$ 8,356	US$ 17,876	
Dongguan Jinkun Hardware Co., Ltd. (Note 3)	Production and sales of hinges and hardware products	US$ 700	b.	US$ 500	-	-	US$ 500	US$ -	-	US$ -	US$ -	US$ -	
Redstar Precision Electorn (Fuqing) Co., Ltd.	Production of shafts and other precision bearings, molds, LCD monitor accessories, key laptop and other new electronic components, self-produced products, etc.	US$ 650	b.	US$ 650	-	-	US$ 650	US$ 791	100	US$ 791	US$ 5,062	US$ 10,680	
Zhi qun Precision Electron (Chongqing) Co., Ltd.	Production and sales of computer accessories	US$ 4,000	b.	US$ -	-	-	US$ -	US$ (1,515)	100	US$ (1,515)	US$ 1,147	US$ -	

Note 1: The investment types are as follows:

a. Direct investment in mainland China.
b. Indirect investments in mainland China through subsidiaries, invested by TCC and momo, in third regions.
c. Others.

Note 2: In the column “Investment Gain”

a. If it is in preparation and there is no investment gain (loss), it should state clearly.

b. Investment Gain recognition was based on the following and should state clearly.

1) Financial statements audited by an international CPA firm having a cooperative relation with CPA firms in the Republic of China;
2) Financial statements audited by the CPA firm of the parent company in Taiwan;
3) Other.

Note 3 Dongguan Jinkun Hardware Co., Ltd has completed the deregistration in August 2011, but has not yet completed the deregistration to the Investment Commission.

Note 4: Zhi qun Precision Electron (Suzhou) Co., Ltd. has completed the deregistration in March 2023, but has completed the deregistration to the Investment Commission.

(Continued)

2. The limited amounts of the investment in mainland China

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2024	**Investment Amount Authorized by the Investment Commission, MOEA**	**Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (Note)**
NT$1,165,393 (US$36,261)	NT$1,714,441 (US$53,750)	NT$10,781,125

Note: According to the Investment Commission of MOEA, the investment amount in mainland China should be limited to the greater of the net profit or 60% of consolidated net profit.

(Concluded)

SHIN ZU SHING CO., LTD. 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)

1. Significant direct or indirect transactions with the investees, prices and terms of payment, unrealized gain or loss:

Company Name	Related Party	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized Gain	Note
			Amount	%		Payment Terms	Comparison with Normal Transactions	Ending Balance	%		
Shin Zu Shing Co., Ltd.	Shin Zu Shing Precision Electron (Suzhou) Co., Ltd.	Sale	$ 168,174	2	Adjusted for plus or minus cost	Net 120 days end of the month	The product type of sales is different from general customers, so there is no basis for comparison of the transaction amount. The amount and payment terms are the same as non-related parties.	Accounts receivable $ 42,401	1	$ (1,483)	
	Shin Zu Shing Precision Electron (Chongqing) Co., Ltd.	Sale	28,314	-	Adjusted for plus or minus cost	Net 120 days end of the month	The product type of sales is different from general customers, so there is no basis for comparison of the transaction amount. The amount and payment terms are the same as non-related parties.	Accounts receivable 9,974	-		
	Kunshan Jengjea Computer Fittings Co., Ltd.	Purchase	138,313	2	Adjusted for plus or minus cost	Net 120 days end of the month	The amount and payment terms of purchased is the same as non-related parties.	Accounts payable (42,531)	(2)		
	Shin Zu Shing Precision Electron (Suzhou) Co., Ltd.	Purchase	2,194,849	35	Adjusted for plus or minus cost	Net 120 days end of the month	The amount and payment terms of purchased is the same as non-related parties.	Accounts payable (979,682)	(44)		
	Dongguan Chengyue Computer Fittings Co., Ltd.	Purchase	169,649	3	Adjusted for plus or minus cost	Net 120 days end of the month	The amount and payment terms of purchased is the same as non-related parties.	Accounts payable (63,063)	(3)		
	Redstar Precision Electorn (Fuqing) Co., Ltd.	Purchase	96,251	2	Adjusted for plus or minus cost	Net 120 days end of the month	The amount and payment terms of purchased is the same as non-related parties.	Accounts payable (33,419)	(1)		
	Suzhou Xinglianyi Metal Technology Co., Ltd.	Purchase	1,045,997	17	Adjusted for plus or minus cost	Net 120 days end of the month	The amount and payment terms of purchased is the same as non-related parties.	Accounts payable (332,924)	(15)		

2. The amount of property transactions and the amount of the resultant gains or losses: None.

3. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None.

4. The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds: None.

5. 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 receiving of services: None.

SHIN ZU SHING CO., LTD. AND SUBSIDIARIES

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

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
0	Shin Zu Shing	Shin Zu Shing Precision Electron (Suzhou) Co., Ltd.	1	Sales	$ 168,174	The product type of sales is different from general customers, so there is no basis for comparison of the transaction amount. The payment terms is the same as general customers.	1
				Accounts receivable	42,401		-
				Purchase	2,194,849	The purchase price, payment terms and other trading conditions are the same as general manufacturers, and the payment terms is net 120 days end of the month	16
				Accounts payable	979,682		4
		Shin Zu Shing Precision Electron (Chongqing) Co., Ltd.	1	Sales	28,314	The product type of sales is different from general customers, so there is no basis for comparison of the transaction amount. The payment terms is the same as general customers.	-
				Accounts receivable	9,974		-
		Kunshan Jengjea Computer Fittings Co., Ltd.	1	Purchase	138,313	The purchase price, payment terms and other trading conditions are the same as general manufacturers, and the payment terms is net 120 days end of the month	1
				Accounts payable	42,531		-
		Dongguan Chengyue Computer Fittings Co., Ltd.	1	Purchase	169,649	The purchase price, payment terms and other trading conditions are the same as general manufacturers, and the payment terms is net 120 days end of the month	1
				Accounts payable	63,063		-
		Redstar Precision Electorn (Fuqing) Co., Ltd.	1	Purchase	96,251	The purchase price, payment terms and other trading conditions are the same as general manufacturers, and the payment terms is net 120 days end of the month	1
				Accounts payable	33,419		-
1	Zhi qun Precision Electron (Suzhou) Co., Ltd.	Shin Zu Shing Precision Electron (Chongqing) Co., Ltd.	3	Sales	12,374	The product type of purchased is different from general manufacturers, so there is no basis for comparison of the transaction amount. The payment terms is net 120 days end of the month.	-
				Accounts receivable	11,190		-
				Purchase	73,431	The purchase price, payment terms and other trading conditions are the same as general manufacturers, and the payment terms is net 120 days end of the month	1
				Accounts payable	7,863		-
				Outsourcing processing costs	14,573	Costs for processing entrusted to associated companies.	-
2	Redstar Precision Electorn (Fuqing) Co., Ltd.	Dongguan Chengyue Computer Fittings Co., Ltd.	3	Sales	70,221	The product type of sales is different from general customers, so there is no basis for comparison of the transaction amount. The payment terms is the same as general customers.	1
				Accounts receivable	43,364		-

(Continued)

Note 1: Information regarding intercompany transactions should be numbered according to the following:

a. Parent company should be numbered 0.
b. Subsidiaries should be numbered beginning with 1.

Note 2: Intercompany transactions can be divided into three categories as following:

a. Parent company to subsidiaries
b. Subsidiaries to parent company
c. Subsidiaries to subsidiaries

Note 3: For the percentage of intercompany transactions in total sales or asset, year-end balance is used for balance sheet accounts while income statement accounts use the accumulated amount to calculate.

(Concluded)

TABLE 8

SHIN ZU SHING CO., LTD. AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2024

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Sheng-Nan Lu	17,554,346	9

Note 1: The information of major shareholders presented in this table is provide by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholders delivers the shareholdings to the trust, the above information will be disclosed by the individual truster who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.