Stock Code: 3419

Wha Yu Industrial Co., Ltd.

Parent Company Only Financial Statements and

Independent Auditors' Review Report

For the Years Ended December 31, 2024, and 2023

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Notice to Reader

For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. 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.

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INDEPENDENT AUDITORS' REVIEW REPORT

To Wha Yu Industrial Co., Ltd.:

Audit Opinion

The parent company only balance sheets of Wha Yu Industrial Co., Ltd. as of December 31, 2024, and 2023, and the parent company only statements of comprehensive income, statements of changes in equity, statements of cash flows for the years ended December 31, 2024, and 2023, as well as notes to the parent company only financial statements (including a summary of significant accounting policies), have been audited by this accountant.

In my opinion, the aforementioned parent company only financial statements have been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and provide a sufficient basis to properly express the parent company only financial position of Wha Yu Industrial Co., Ltd. as of December 31, 2024, and 2023, as well as its financial performance and cash flows for the years ended December 31, 2024, and 2023.

Basis for Audit Opinion

The accountant conducted the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. The accountant's responsibilities under these standards are further described in the Accountant's Responsibilities for the Audit of the Parent Company Only Financial Statements section. The personnel of the firm to which this accountant belongs, who are subject to independence regulations, have maintained independence from Wha Yu Industrial Co., Ltd. in accordance with the Code of Professional Ethics for Certified Public Accountants, and have fulfilled other responsibilities under the code. Based on the results of my audit and the audit reports of other accountants, I believe sufficient and appropriate audit evidence has been obtained to serve as a basis for expressing an audit opinion.

Key Audit Matters

Key audit matters refer to those matters that, in the accountant's professional judgment, were of most significance in the audit of the consolidated financial statements of Wha Yu Industrial Co., Ltd. for 2024. These matters were addressed in the context of the audit of the parent company only financial statements as a whole and in forming the audit opinion, and the accountant does not provide a separate opinion on these matters.

The key audit matters for the parent company only financial statements of Wha Yu Industrial Co., Ltd. for 2024 are described as follows:

<u>Recognition of Sales Revenue</u>

The revenue of Wha Yu Industrial Co., Ltd. mainly comes from high, medium, and low-frequency wireless devices and electronic signal connection devices, electronic products, and trading agency parts, with net operating revenue of NT$1,251,936 thousand for 2024. The accountant believes that there are authenticity risks in the transactions of customers with significant revenue growth for Wha Yu Industrial Co., Ltd. this year, therefore determining the authenticity of revenue recognition as a key audit matter. For an explanation of the revenue recognition policy, please refer to Note 4(13) to the parent company only financial statements.

The accountant's audit procedures for this include:

1. Understanding Wha Yu Industrial Co., Ltd.' internal control systems and operational procedures related to the sales transaction cycle, in order to assess whether the internal control operations are effective.

2. Selecting samples of sales revenue for testing, reviewing documents such as orders, shipping documents or customs declarations confirmed by transaction counterparties to verify the authenticity of sales revenue. In addition, post-period collections and sales returns were examined for any irregularities.

Management and Governance Units' Responsibility for the Parent Company Only Financial Statements

Management's responsibility is to prepare consolidated financial statements that present fairly in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and to maintain necessary internal controls relevant to the preparation of parent company only financial statements, to ensure that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management's responsibilities also include assessing the ability of Wha Yu Industrial Co., Ltd. to continue as a going concern, disclosing relevant matters, and using the going concern basis of accounting, unless management either intends to liquidate Wha Yu Industrial Co., Ltd. or to cease operations, or has no realistic alternative but to do so.

The governance units (including the Audit Committee) of Wha Yu Industrial Co., Ltd. are responsible for overseeing the financial reporting process.

Accountant's Responsibility for the Audit of the Parent Company Only Financial Statements

The purpose of our audit of the parent company only financial statements is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance is a high level of assurance; however, an audit conducted in accordance with auditing standards cannot guarantee that it will always detect a material misstatement when it exists in the parent company only financial statements. Misstatements can arise from fraud or error. If the individual amounts or aggregate totals of misstatements can reasonably be expected to influence the economic decisions of users of the parent company only financial statements, they are considered material.

When auditing in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism. We also perform the following work:

1. Identify and assess the risks of material misstatement in the parent company only financial statements, whether due to fraud or error. Design and implement appropriate responses to those assessed risks, and obtain sufficient and appropriate audit evidence as a basis for our audit opinion. Since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control, the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Wha Yu Industrial Co., Ltd.

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 Wha Yu Industrial Co., Ltd.' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause Wha Yu Industrial Co., Ltd. to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements (including the related notes), and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities within Wha Yu Industrial Co., Ltd. to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit, and are responsible for forming the audit opinion on Wha Yu Industrial Co., Ltd.

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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of Wha Yu Industrial Co., Ltd. for 2024. We describe these matters in our auditor's 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.

Deloitte & Touche

CPA Fang, Su-Li	CPA Lin, Hsin-Tung
Approval Document No. of the Financial Supervisory Commission	Approval Document No. of the Financial Supervisory Commission
FSC Approval No. 0940161384	FSC Approval No. 1110348898

March 28, 2025

WHA YU INDUSTRIAL CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS

December 31, 2024, and 2023

Unit: NT$ Thousand

Code	Assets	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current Assets				
1100	Cash (Notes 4 and 6)	$ 158,714	8	$ 217,485	11
1150	Notes Receivable (Notes 4, 8, and 19)	2,273	-	785	-
1170	Accounts Receivable - Non-Related Parties (Notes 4, 5, 8, and 19)	357,404	19	337,167	17
1180	Accounts Receivable - Related Parties (Notes 4, 19, and 27)	13,040	1	5,565	-
1200	Other Receivables (Notes 4 and 8)	11,000	1	1,327	-
1210	Accounts Receivable - Related Parties (Notes 4 and 27)	32	-	30	-
130X	Inventories (Notes 4, 5, and 9)	77,499	4	114,445	6
1470	Other Current Assets (Note 14)	7,671	-	5,851	-
11XX	Total Current Assets	627,633	33	682,655	34
	Non-Current Assets				
1517	Financial Assets Measured at Fair Value through Other Comprehensive Income - Non-Current (Notes 4, 7, and 26)	35,457	2	35,101	2
1550	Investments accounted for using the equity method (Notes 4 and 10)	613,283	32	608,185	31
1600	Property, Plant and Equipment (Notes 4, 11, and 28)	631,108	33	652,572	33
1780	Intangible Assets (Notes 4 and 13)	7,640	-	4,737	-
1920	Refundable Deposits	273	-	151	-
1990	Other Current Assets (Note 14)	201	-	1,387	-
15XX	Total Non-current Assets	1,287,962	67	1,302,133	66
1XXX	Total Assets	$ 1,915,595	100	$ 1,984,788	100

Code	Liabilities and Equity	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current Liabilities				
2100	Short-term Borrowings (Note 15 and 27)	$ 107,472	6	$ 99,521	5
2150	Notes Payable	1,103	-	-	-
2170	Accounts Payable - Non-Related Parties	41,333	2	73,466	4
2180	Accounts Payable - Related Parties (Note 27)	241,362	12	88,923	5
2320	Current Portion of Long-term Borrowings (Notes 15 and 28)	57,872	3	68,983	3
2399	Accrued Expenses and Other Current Liabilities (Notes 16, 29, and 27)	72,570	4	75,475	4
21XX	Total Current Liabilities	521,712	27	406,368	21
	Non-Current Liabilities				
2540	Long-term Borrowings (Notes 15 and 28)	193,976	10	250,058	13
2630	Long-Term Deferred Income (Note 23)	3,996	-	5,409	-
2640	Net Defined Benefit Liability - Non-Current (Notes 4 and 17)	7,106	1	9,459	-
2645	Guarantee Deposits Received	50	-	378	-
25XX	Total Non-Current Liabilities	205,128	11	265,304	13
2XXX	Total Liabilities	726,840	38	671,672	34
	Equity (Notes 4 and 18)				
3110	Common Stock	1,204,804	63	1,204,804	61
3200	Capital Surplus	90,268	5	201,451	10
	Retained Earnings				
3310	Legal Reserve	-	-	3,398	-
3320	Special Reserve	104,610	5	104,610	6
3350	Accumulated Deficit	(143,711)	(7)	(114,581)	(6)
3300	Total Retained Earnings	(39,101)	(2)	(6,573)	-
	Other Equity				
3410	Exchange Differences on Translation of Foreign Operations	(74,313)	(4)	(93,307)	(5)
3420	Unrealized Valuation Gains (Losses) on Financial Assets Measured at Fair Value through Other Comprehensive Income	7,097	-	6,741	-
3400	Total Other Equity	(67,216)	(4)	(86,566)	(5)
3XXX	Total Equity	1,188,755	62	1,313,116	66
	Total Liabilities and Equity	$ 1,915,595	100	$ 1,984,788	100

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

Chairman: Tsou, Mi-Fu	Managerial Officers: Tsao, Fu-Yi	Chief Accounting Manager: Chen, Huang-Chueh

WHA YU INDUSTRIAL CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2024, and 2023

Unit: NT$ thousand, except for loss per share expressed in NT$

Code		2024 Amount	2024 %	2023 Amount	2023 %
4100	Operating Revenue (Notes 4, 19, and 27)	$ 1,251,936	100	$ 1,154,491	100
5110	Operating Costs (Notes 9, 20, and 27)	1,115,504	89	1,039,562	90
5900	Gross Profit from Operations	136,432	11	114,929	10
5920	Unrealized gains (losses) with subsidiaries (Note 4)	(1,192)	-	6	-
5950	Realized Gross Profit	135,240	11	114,935	10
	Operating Expenses (Notes 20 and 27)				
6100	Selling Expenses	80,981	7	77,877	7
6200	Administrative Expenses	90,691	7	87,711	7
6300	Research and Development Expenses	127,672	10	97,845	8
6450	Expected Credit Impairment (Reversal Gains) Losses	(6,347)	-	9,488	1
6000	Total Operating Expenses	292,997	24	272,921	23
6510	Other Gains and Losses, Net (Note 20)	(70)	-	121	-
6900	Operating Net Loss	(157,827)	(13)	(157,865)	(13)
	Non-operating Income and Expenses				
7100	Interest Income (Note 20)	2,551	-	4,664	1
7010	Other Income (Notes 4, 20, 23, 27, and 30)	26,221	2	14,566	1
7020	Other Gains and Losses (Note 20)	22,226	2	(91)	-
7050	Financial Costs (Notes 4, 20, and 27)	(9,592)	(1)	(9,010)	(1)
7070	Share of profit (loss) from equity-method subsidiaries and associates (Note 4)	(29,407)	(2)	27,671	2
7000	Total Non-operating Income and Expenses	11,999	1	37,800	3
7900	Loss Before Tax	(145,828)	(12)	(120,065)	(10)
7950	Income Tax Expenses (Notes 4 and 21)	-	-	-	-
8200	Net Loss for the Year	(145,828)	(12)	(120,065)	(10)

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Code		2024 Amount	2024 %	2023 Amount	2023 %
	Other Comprehensive Income (Notes 4, 17, and 18)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of Defined Benefit Plans	$ 2,117	-	($ 998)	-
8316	Unrealized Valuation Gains (Losses) on Investments in Equity Instruments Measured at Fair Value through Other Comprehensive Income	356	-	564	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange Differences on Translation of Foreign Operations	18,994	2	(18,201)	(2)
8365	Equity Directly Associated with Non-current Assets Held for Sale	-	-	(3,887)	-
8300	Other Comprehensive Income (Loss) for the Year	21,467	2	(22,522)	(2)
8500	Total Comprehensive Income (Loss) for the Year	($ 124,361)	(10)	($ 142,587)	(12)
	Loss Per Share (Note 22)				
9710	Basic	($ 1.21)		($ 1.00)	
9810	Diluted	($ 1.21)		($ 1.00)	

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

Chairman: Tsou, Mi-Fu	**Managerial Officers: Tsao, Fu-Yi**	**Chief Accounting Manager: Chen, Huang-Chueh**

WHA YU INDUSTRIAL CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2024, and 2023

Unit: NT$ Thousand

		Share Capital			Retained Earnings			Other Equity Items			
Code		Number of Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficit)	Exchange Differences on Translation of Foreign Operations	Unrealized Valuation Gains (Losses) on Financial Assets Measured at Fair Value through Other Comprehensive Income	Equity Associated with Non-current Assets Held for Sale	Total Equity
A1	Balance as of January 1, 2023	120,481	$ 1,204,804	$ 201,451	$ -	$ 104,610	$ 33,976	($ 75,106)	$ 6,177	$ 3,887	$ 1,479,799
	Allocation of 2022 Earnings										
B1	Appropriation of Legal Reserve	-	-	-	3,398	-	(3,398)	-	-	-	-
B5	Cash Dividends	-	-	-	-	-	(24,096)	-	-	-	(24,096)
D1	Net Loss for 2023	-	-	-	-	-	(120,065)	-	-	-	(120,065)
D3	Other Comprehensive Income for 2023	-	-	-	-	-	(998)	(18,201)	564	(3,887)	(22,522)
D5	Total Comprehensive Income for 2023	-	-	-	-	-	(121,063)	(18,201)	564	(3,887)	(142,587)
Z1	Balance as of December 31, 2023	120,481	1,204,804	201,451	3,398	104,610	(114,581)	(93,307)	6,741	-	1,313,116
C11	Capital Surplus Used to Offset Losses	-	-	(111,183)	-	-	111,183	-	-	-	-
B13	Legal Reserve Used to Offset Losses	-	-	-	(3,398)	-	3,398	-	-	-	-
D1	Net Loss for 2024	-	-	-	-	-	(145,828)	-	-	-	(145,828)
D3	Other Comprehensive Income for 2024	-	-	-	-	-	2,117	18,994	356	-	21,467
D5	Total Comprehensive Income for 2024	-	-	-	-	-	(143,711)	18,994	356	-	(124,361)
Z1	Balance as of December 31, 2024	120,481	$ 1,204,804	$ 90,268	$ -	$ 104,610	($ 143,711)	($ 74,313)	$ 7,097	$ -	$ 1,188,755

Chairman: Tsou, Mi-Fu	Managerial Officers: Tsao, Fu-Yi	Chief Accounting Manager: Chen, Huang-Chueh

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

WHA YU INDUSTRIAL CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2024, and 2023

Unit: NT$ Thousand

Code		2024	2023
	Cash Flows from Operating Activities		
A10000	Net Loss Before Tax for the Current Year	($ 145,828)	($ 120,065)
A20010	Adjustments to reconcile profit or loss:		
A20100	Depreciation Expenses	44,750	38,376
A20200	Amortization Expenses	3,931	5,168
A20300	Expected Credit Impairment (Reversal Gains) Losses	(6,347)	9,488
A20900	Financial Costs	9,592	9,010
A21200	Interest Income	(2,551)	(4,664)
A22400	Share of profit recognized from equity-method subsidiaries and associates	29,407	(27,671)
A22500	Losses (Gains) on Disposal of Property, Plant and Equipment	70	(121)
A22700	Gains on Disposal of Investments	(2,262)	(3,887)
A23700	Impairment Loss on Non-financial Assets	-	15,414
A23800	Reversal of Write-downs and Losses on Inventory	1,786	8,327
A24000	Unrealized gains (losses) with subsidiaries	1,192	(6)
A24100	Net Foreign Exchange (Gains) Losses	(10,318)	5,771
A30000	Net Changes in Operating Assets and Liabilities		
A31130	Notes Receivable	(1,488)	201
A31150	Accounts Receivable (Including Related Parties)	(15,191)	324,556
A31190	Other Receivables (Including Related Parties)	(9,390)	5,263
A31200	Inventories	35,160	14,618
A31240	Other Current Assets	(1,820)	1,088
A32130	Notes Payable	1,103	(1,103)
A32150	Accounts Payable (Including Related Parties)	122,937	(173,111)
A32230	Accrued Expenses and Other Current Liabilities	(2,242)	(3,748)
A32240	Net Defined Benefit Liabilities	(236)	(274)
A32250	Deferred Revenue Transferred	(1,413)	(1,902)
A33000	Cash Generated from Operations	50,842	100,728
A33300	Interest Paid	(9,381)	(8,796)
A33500	Income Tax Refunded	-	-
AAAA	Net Cash Inflow from Operating Activities	41,461	91,932

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Code		2024	2023
	Cash Flows from Investing Activities		
B01900	Net Cash Inflow from Disposal of Associates	$ -	$ 169,642
B02200	Cash Outflow from Acquisition of Subsidiaries	(32,390)	(127,422)
B02300	Cash Inflow from Disposal of Subsidiaries	11,434	-
B02400	Return of capital from capital reduction of equity-method subsidiaries	6,515	-
B02700	Acquisition of Property, Plant and Equipment	(21,280)	(37,069)
B02800	Proceeds from Disposal of Property, Plant and Equipment	-	7,030
B03800	Increase in Refundable Deposits	(122)	(52)
B04500	Acquisition of Intangible Assets	(6,834)	(1,710)
B07500	Interest Received	2,551	4,664
BBBB	Net Cash (Outflow) Inflow from Investing Activities	(40,126)	15,083
	Cash Flows from Financing Activities		
C00100	Increase in Short-term borrowings	8,383	552
C01700	Repayment of Long-term Borrowings	(68,983)	(57,981)
C03000	Decrease in Guarantee Deposits Received	(328)	(125)
C04500	Distribution of Cash Dividends	-	(24,096)
CCCC	Net Cash Outflow from Financing Activities	(60,928)	(81,650)
DDDD	Effect of Exchange Rate Changes on Cash	822	(192)
EEEE	Net (Decrease) Increase in Cash	(58,771)	25,173
E00100	Beginning cash balance	217,485	192,312
E00200	Ending cash balance	$ 158,714	$ 217,485

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

Chairman: Tsou, Mi-Fu	**Managerial Officers: Tsao, Fu-Yi**	**Chief Accounting Manager: Chen, Huang-Chueh**

WHA YU INDUSTRIAL CO., LTD.

NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS

For the Years Ended December 31, 2024, and 2023

(Unless Otherwise Specified, Amounts are in New Taiwan Dollars Thousand)

1. Company History

Wha Yu Industrial Co., Ltd. (the Company) is a corporation established in Hsinchu City in November 1981, and began operations in the same month. Its main business activities include industrial plastic products, wires, cables, electronic components, wholesale of electronic materials, retail of electronic materials, and international trade.

The Company's stock has been traded on the Taipei Exchange (TPEx) since May 2006, and was transferred to the Taiwan Stock Exchange for listing in January 2008.

The parent company only financial statement is presented in New Taiwan Dollars, the functional currency of the Company.

2. Date and Procedures for Approval of Financial Statements

This parent company only financial statements were approved by the Board of Directors on March 14, 2025.

3. Application of Newly Issued and Revised Standards and Interpretations

(1) Initial application of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC), and Interpretation Bulletins (SIC) (IFRS Accounting Standards) recognized and issued by the Financial Supervisory Commission (FSC)

Application of the amended IFRS Accounting Standards recognized and issued by the FSC will not cause significant changes to the accounting policies of the Company.

(2) IFRS Accounting Standards recognized by the FSC applicable in 2025

Newly Issued/Amended/Revised Standards and Interpretations	**Effective Date Announced by IASB**
Amendments to IAS 21 Lack of Exchangeability	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments," regarding the application guidance for financial asset classification	January 1, 2026 (Note 2)

Note 1: Applicable to annual reporting periods beginning on or after January 1, 2025. At the initial application of the amendments, comparative periods shall not be restated. Instead, the impact should be recognized in retained earnings or

foreign currency translation differences of foreign operations (as appropriate) as well as the related affected assets and liabilities on the date of initial application.

Note 2: Applicable to annual reporting periods beginning on or after January 1, 2026; entities may also elect to apply early on January 1, 2025. At the initial application of the amendments, retrospective application is required but restatement of comparative periods is not required, and the impact of initial application should be recognized on the date of initial application. However, if entities can restate comparative periods without using hindsight, they may choose to restate comparative periods.

As of the approval date of these parent company only financial statements, the Company has assessed that the above amendments to standards and interpretations will not have a significant impact on its financial position and financial performance.

(3) IFRS Accounting Standards Issued by IASB but Not Yet Endorsed and Issued into Effect by the Financial Supervisory Commission

Newly Issued/Amended/Revised Standards and Interpretations	**Effective Date Announced by IASB (Note 1)**
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments" regarding the application guidance for 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"	Undetermined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9—Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note 1: Unless otherwise specified, the above newly issued, amended, or revised standards or interpretations are effective for annual reporting periods beginning on or after the respective dates.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of Financial Statements," the main changes of the standard include:

- The income statement should classify income and expense items into operating, investing, financing, income tax, and discontinued operations categories.

- The income statement should present subtotals and totals for operating profit or loss, profit or loss before financing and income tax, and profit or loss.

- Guidance is provided to enhance aggregation and disaggregation requirements: companies must identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events, and classify and aggregate them based on common characteristics, ensuring that each line in the primary financial statements reflects at least one common attribute. Items with dissimilar characteristics should be disaggregated in the primary financial statements and notes. Companies should only label such items as "other" when they cannot find more informative labels.

- Disclosure requirements for management-defined performance measures have been enhanced: When companies publicly share management's views on aspects of the Company's overall financial performance outside financial statements, they should disclose information related to management-defined performance measures in a single note to the financial statements, including a description of the measure, how it is calculated, its reconciliation with subtotals or totals specified by IFRS accounting standards, and the income tax and non-controlling interest effects of related reconciling items.

  In addition to the aforementioned impacts, as of the date of approval and issuance of these parent company only financial statements, the Company continues to evaluate other impacts of the amendments to various standards and interpretations on its financial position and financial performance. Related impacts will be disclosed upon completion of the assessment.

4. Summary of Significant Accounting Policies

(1) Statement of Compliance

This parent company only financial statement has been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of Preparation

Except for financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of defined benefit obligations less the fair value of plan assets, this parent company only financial statement is prepared on a historical cost basis.

Fair value measurements are categorized into Levels 1 to 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs:

1. Level 1 inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

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

3. Level 3 inputs: Unobservable inputs for the asset or liability.

The Company adopts the equity method for investments in associates during the preparation of the parent company only financial statements. To ensure consistency between the profit or loss, other comprehensive income, and equity reported in the parent company only financial statements and those attributable to the owners of the parent in the consolidated financial statements, certain accounting differences between the parent company only basis and the consolidated basis are adjusted through investments accounted for using the equity method, share of profit or loss from equity-method subsidiaries and associates, share of other comprehensive income from equity-method subsidiaries and associates, and related equity items.

(3) Criteria for Classifying Assets and Liabilities as Current or Non-current

Current assets include:

1. Assets that are primarily held for trading purposes;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash.

Current liabilities include:

1. Liabilities that are primarily held for trading purposes;
2. Liabilities that are due to be settled within 12 months after the balance sheet date, and
3. Liabilities for which the entity does not have a substantive right to defer settlement for at least 12 months after the balance sheet date.

Assets or liabilities that do not meet the above criteria for current assets or current liabilities are classified as non-current assets or non-current liabilities.

(4) Business Combinations

Business combinations are accounted for using the acquisition method. Acquisition-related costs are expensed in the period when the costs are incurred and the services are received.

Goodwill is measured as the excess of the total fair value of the consideration transferred and the fair value of the acquirer's previously held equity interest in the acquiree at the acquisition date, over the net of identifiable assets acquired and the liabilities assumed as of the acquisition date.

(5) Foreign Currency

When the Company prepares its financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the exchange rates prevailing on the transaction dates.

Foreign currency monetary items are translated at the closing exchange rate at each balance sheet date. Exchange differences arising from the settlement of monetary items or the translation of monetary items are recognized in profit or loss in the period in which they arise.

Foreign currency non-monetary items measured at fair value are translated using the exchange rates on the date when the fair value was determined. The resulting exchange differences are recognized in profit or loss for the period, except for those whose fair value changes are recognized in other comprehensive income, in which case the exchange differences are also recognized in other comprehensive income.

Foreign currency non-monetary items measured at historical cost are translated using the exchange rates on the transaction date and are not retranslated.

In preparing the parent company only financial statements, the assets and liabilities of foreign operations (including subsidiaries and associates whose country of operation or currency used differs from the Company) are translated into New Taiwan Dollars at the exchange rates prevailing at each balance sheet date. Income and expense items are translated at the average exchange rates for the period, and the resulting exchange differences are recognized in other comprehensive income.

If the Company disposes of all ownership interests in a foreign operation, all accumulated exchange differences related to that foreign operation will be reclassified to profit or loss.

(6) Inventories

Inventories include raw materials, work in process, semi-finished goods, finished goods, and merchandise. Inventories are measured at the lower of cost and net realizable value. When comparing cost and net realizable value, the comparison is made on an item-by-item basis, except for inventories of the same category. Net realizable value refers to the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The calculation of inventory cost is based on the weighted average method.

(7) Investment in Subsidiaries

The Company uses the equity method to account for investments in subsidiaries.

A subsidiary refers to an entity controlled by the Company.

Under the equity method, investments are initially recognized at cost, and the carrying amount after acquisition date increases or decreases with the Company's share of the subsidiaries' profit or loss and other comprehensive income, as well as profit distributions. In addition, the Company recognizes its share of changes in other equity of subsidiaries based on its percentage of ownership.

When the Company's share of a subsidiary’s losses equals or exceeds its interest in that subsidiary (including the carrying amount under the equity method and any other long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues to recognize in proportion to its ownership interest.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized; any excess of the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the date of acquisition over the cost of acquisition is recognized as income for the current period.

When assessing impairment, the Company considers the cash-generating unit as a whole in the financial statements and compares its recoverable amount with the carrying amount. Subsequently, if the recoverable amount of an asset increases, the reversal of the impairment loss is recognized as a gain. However, the carrying amount of the asset after the reversal of the impairment loss must not exceed the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized for the asset.

When control over a subsidiary is lost, the Company measures any remaining investment in the former subsidiary at its fair value on the date control is lost. The difference between the fair value of the remaining investment, any disposal proceeds, and the carrying amount of the investment on the date control is lost is recognized in profit or loss for the current period. In addition, the accounting treatment of all amounts recognized in other comprehensive income related to that subsidiary by the Company is on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Unrealized profits and losses from downstream transactions between the Company and its subsidiaries are eliminated in the parent company only financial statements. Profits and losses arising from upstream and sidestream transactions between the Company and its subsidiaries are recognized in the parent company only financial statements only to the extent that they do not relate to the Company's interest in the subsidiaries.

(8) Investments in Associates

Associates refer to enterprises over which the Company has significant influence, but are not subsidiaries.

The Company adopts the equity method for investments in associates.

Under the equity method, investments in associates are initially recognized at cost, and the carrying amount after acquisition date increases or decreases with the Company's share of the associates' profit or loss and other comprehensive income, as well as profit distributions. In addition, changes in the equity of associates are recognized in proportion to the shareholding ratio.

The excess of acquisition cost over the Company's share of the net fair value of the identifiable assets and liabilities of the associate at the acquisition date is recognized as goodwill, which is included in the carrying amount of the investment and is not to be amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the acquisition cost is recognized in current profit or loss.

When an associate issues new shares and the Company does not subscribe in proportion to its shareholding ratio, resulting in a change in the shareholding ratio and a corresponding increase or decrease in the net equity value of the investment, the adjustment amount is recorded in capital surplus – changes in net equity value of investments in associates recognized under equity method and investments accounted for using the equity method. However, if a decrease in ownership interest in an associate occurs due to a failure to subscribe or acquire in proportion to the shareholding ratio, the amount recognized in other comprehensive income related to that associate is reclassified in proportion to the decrease, following the same accounting principles as if the associate had directly disposed of the related assets or liabilities. If the aforementioned adjustment should debit capital surplus, and the capital surplus balance generated from investments accounted for using equity method is insufficient, the difference is debited to retained earnings.

When the Company's share of losses of an associate equals or exceeds its interest in that associate (including the carrying amount of the investment in the associate under the equity method and other long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses. The Company recognizes additional losses and liabilities only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate.

When assessing impairment, the Company treats the entire carrying amount of the investment (including goodwill) as a single asset, comparing the recoverable amount with the carrying amount to perform an impairment test. The recognized impairment loss is not allocated to any of the assets that form part of the carrying amount of the investment, including goodwill. Any reversal of an impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date when its investment ceases to be an associate. The retained interest in the former associate is measured at fair value, with the difference between this fair value plus disposal proceeds and the investment's carrying amount on the date of discontinuation of the equity method being included in current profit or loss. In addition, all amounts recognized in other comprehensive income related to that associate are accounted for on the same basis as would be required if the associate had directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture, or an investment in a joint venture becomes an investment in an associate, the Company continues to apply the equity method and does not remeasure the retained interest.

Gains and losses resulting from upstream, downstream, and sidestream transactions between the Company and its associates are recognized in the parent company only financial statements only to the extent that they are unrelated to the Company's interest in the associates.

(9) Property, Plant and Equipment

Property, plant and equipment are recognized at cost and subsequently measured at cost less accumulated depreciation.

Except for owned land, which is not depreciated, the remaining property, plant and equipment are depreciated on a straight-line basis over their useful lives, with depreciation provided separately for each significant component. The Company reviews the estimated useful lives, residual values, and depreciation methods at least at each fiscal year-end and applies the effect of changes in accounting estimates prospectively.

When property, plant and equipment are derecognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(10) Intangible Assets

1. Separately acquired

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight-line basis over their useful lives. The Company reviews the estimated useful lives, residual values, and amortization methods at least at each fiscal year-end and applies prospectively the effect of any changes in accounting estimates.

2. Derecognition

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

(11) Impairment of Property, Plant and Equipment, Right-of-use Assets and Intangible Assets (Excluding Goodwill)

The Company assesses at each balance sheet date whether there is any indication that property, plant and equipment, right-of-use assets and intangible assets (excluding goodwill) may be impaired. If any indication of impairment exists, the recoverable amount of the asset is estimated. If it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Shared assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis.

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

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset or cash-generating unit in prior years. The reversal of an impairment loss is recognized in profit or loss.

(12) Financial Instruments

Financial assets and liabilities are recognized in the parent company only balance sheet when the Company becomes a party to the contractual provisions of the instrument.

At initial recognition of financial assets and financial liabilities, if the financial asset or financial liability is not at fair value through profit or loss, it is measured at fair value plus transaction costs directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities measured at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial Assets

Regular way purchases or sales of financial assets are recognized and derecognized using trade date accounting.

(1) Measurement Categories

The financial assets held by the Company are financial assets measured at amortized cost and equity instrument investments measured at fair value through other comprehensive income.

A. Financial Assets at Amortized Cost

The Company's investment in financial assets is classified as financial assets measured at amortized cost when both of the following two conditions are met:

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

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

Financial assets measured at amortized cost (including cash, notes receivable, accounts receivable (including related parties), and other receivables (including related parties)) are measured at amortized cost determined as the total carrying amount less any impairment loss using the effective interest method after initial recognition, with any foreign exchange gains or losses recognized in profit or loss.

Interest income is calculated by multiplying the gross carrying amount of a financial asset by the effective interest rate, except for the following two situations:

a. For purchased or originated credit-impaired financial assets, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset.

b. For financial assets that are not purchased or originated credit-impaired but subsequently have become credit-impaired, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period after the credit impairment.

B. Equity Instrument Investments at Fair Value through Other Comprehensive Income

At initial recognition, the Company may make an irrevocable election to designate equity instrument investments that are not held for trading and are not contingent consideration recognized by an acquirer in a business combination as at fair value through other comprehensive income.

Equity instrument investments measured at fair value through other comprehensive income are measured at fair value, with subsequent changes in fair value reported in other comprehensive income and accumulated in other equity. Upon disposal of the investment, the cumulative gains or losses are transferred directly to retained earnings and are not reclassified to profit or loss.

Dividends from equity instrument investments measured at fair value through other comprehensive income are recognized in profit or loss when the Company's right to receive payment is established, unless the dividend clearly represents a recovery of part of the investment cost.

(2) Impairment of Financial Assets

The Company assesses the impairment loss of financial assets measured at amortized cost (including accounts receivable) based on expected credit losses at each balance sheet date.

Accounts receivable recognize allowance for losses based on lifetime expected credit losses. Other financial assets are first assessed for whether credit risk has increased significantly since initial recognition. If it has not increased significantly, allowance for losses is recognized based on 12-month expected credit losses; if it has increased significantly, allowance for losses is recognized based on lifetime expected credit losses.

Expected credit losses are weighted average credit losses with the risk of default occurring as the weighting. 12-month expected credit losses represent the expected credit losses that may result from possible default events within 12 months after the reporting date, while lifetime expected credit losses represent the expected credit losses that may result from all possible default events over the expected life of a financial instrument.

The impairment losses of all financial assets are reduced from their carrying amounts through allowance accounts.

(3) Derecognition of Financial Assets

The Company derecognizes financial assets only when the contractual rights to the cash flows from the financial assets expire, or when it has transferred the financial assets and substantially all the risks and rewards of ownership of the assets to other enterprises.

When a financial asset measured at amortized cost is derecognized in its entirety, the difference between its carrying amount and the consideration received is recognized in profit or loss. When an equity instrument investment measured at fair value through other comprehensive income is derecognized in its entirety, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

2. Equity Instruments

Equity instruments issued by the Company are classified as equity according to the substance of the contractual arrangements and the definition of an equity instrument.

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

The repurchase of the Company's own equity instruments is recognized and deducted from equity, and the carrying amount is calculated based on the weighted average by type of shares. The purchase, sale, issuance, or cancellation of the Company's own equity instruments is not recognized in profit or loss.

3. Financial Liabilities

(1) Measurement Categories

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

(2) Derecognition of Financial Liabilities

When derecognizing financial liabilities, the difference between the carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(13) Revenue Recognition

After identifying performance obligations in customer contracts, the Company allocates the transaction price to each performance obligation and recognizes revenue when each performance obligation is satisfied.

For contracts where the time interval between transferring goods or services and receiving consideration is within one year, the significant financing component is not adjusted in the transaction price.

Merchandise Sales Revenue

Merchandise sales revenue comes from the sales of high, medium, and low frequency wireless devices, electronic optical communication components, electronic signal connection devices, and electronic products. For high, medium, and low frequency wireless devices, electronic optical communication components, electronic signal connection devices, and electronic products, sales revenue is recognized at the point when the customer has the right to set the price and use the products, bears the primary responsibility for reselling, and assumes the risk of product obsolescence. The Company recognizes revenue and accounts receivable at that point.

When providing processing with materials supplied by customers, the control of ownership of the processed products is not transferred, so revenue is not recognized when materials are taken.

When another party is involved in providing goods to customers, the Company is a principal if it controls the goods before transferring them to customers; otherwise, it is an agent. The principal recognizes revenue in the gross amount of economic benefits flowing from the transaction; while the agent recognizes only the net amount of economic benefits flowing in as revenue.

(14) Leases

The Company assesses whether a contract is (or contains) a lease at the inception date of the contract.

1. The Company as Lessor

When lease terms transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee, the lease is classified as a finance lease. All other leases are classified as operating leases.

When subleasing a right-of-use asset, the Company determines the classification of the sublease based on the right-of-use asset (rather than the underlying asset). However, if the head lease is a short-term lease to which the Company applies the recognition exemption, the sublease is classified as an operating lease.

Lease payments under operating leases are recognized as income on a straight-line basis over the relevant lease term.

2. The Company as Lessee

Except for lease payments for low-value underlying asset leases and short-term leases to which the recognition exemption applies, which are recognized as expenses on a straight-line basis over the lease term, all other leases are recognized as right-of-use assets and lease liabilities on the lease commencement date.

Right-of-use assets are initially measured at cost (including the initial measurement amount of the lease liability, lease payments made before the commencement date less lease incentives received, initial direct costs, and the estimated costs of restoring the underlying asset), and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, adjusted for any remeasurement of the lease liability. Right-of-use assets are presented separately in the parent company only balance sheet.

Right-of-use assets are depreciated on a straight-line basis from the lease commencement date until the end of their useful life or the end of the lease term, whichever is earlier.

Lease liabilities are initially measured at the present value of lease payments. If the interest rate implicit in the lease is readily determinable, the lease payments are discounted using that rate. If that rate is not readily determinable, the lessee's incremental borrowing rate is used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, and interest expense is allocated over the lease term. If there is a change in future lease payments resulting from a change in the lease term, the Company remeasures the lease liability and makes a corresponding adjustment to the right-of-use asset; however, if the carrying amount of the right-of-use asset has been reduced to zero, the remaining remeasurement amount is recognized in profit or loss. Lease liabilities are presented separately on the parent company only balance sheet.

(15) Borrowing Costs

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(16) Government Grants

Government grants are recognized only when there is reasonable assurance that the Company will comply with the conditions attached to the grants and that the grants will be received.

Government grants related to income are recognized as other income on a systematic basis over the periods in which the Company recognizes expenses for the related costs for which the grants are intended to compensate. Government grants that require the Company to purchase, construct, or otherwise acquire non-current assets are recognized as deferred income and transferred to profit or loss on a reasonable and systematic basis over the useful lives of the related assets.

If government grants are used to compensate for expenses or losses that have already been incurred, or are provided with the purpose of giving immediate financial support to the Company with no future related costs, they are recognized in profit or loss in the period in which they become receivable.

Government loans received by the Company at below-market interest rates are recognized as government grants, which is the difference between the amount received for the loan and the fair value of the loan calculated based on the prevailing market interest rate.

(17) Employee Benefits

1. Short-term Employee Benefits

Short-term employee benefit liabilities are measured at the undiscounted amount expected to be paid in exchange for employee services.

2. Post-employment Benefits

Pension for defined contribution retirement plans is recognized as an expense based on the amount of contributions that should be made during the period when employees provide services.

The defined benefit costs (including service costs, net interest, and remeasurements) of defined benefit retirement plans are actuarially calculated using the projected unit credit method. Service costs (including current service cost and past service cost) and net interest on the net defined benefit liability are recognized as employee benefit expenses when incurred, upon plan amendments or curtailments occur, and when settlements occur. Remeasurements (including actuarial gains and losses and the return on plan assets excluding interest) are recognized in other comprehensive income and included in retained earnings when they occur, and are not reclassified to profit or loss in subsequent periods.

The net defined benefit liability is the funding deficit of the defined benefit retirement plan. The net defined benefit asset shall not exceed the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

3. Other Long-term Employee Benefits

Other long-term employee benefits are accounted for in the same way as defined benefit retirement plans, except that the related remeasurements are recognized in profit or loss.

4. Termination Benefits

The Company recognizes a termination benefit liability at the earlier of when it can no longer withdraw the offer of those benefits and when it recognizes any related restructuring costs.

(18) Income Tax

Income tax expense consists of total current income tax and deferred income tax.

1. Current Income Tax

The Company determines the current income (loss) based on the regulations of the Republic of China, and calculates the income tax payable (recoverable) accordingly.

The additional income tax on unappropriated earnings calculated in accordance with the provisions of the Republic of China Income Tax Act is recognized in the year when the shareholders' meeting resolves the distribution.

Adjustments to income tax payable from previous years are included in current income tax.

2. Deferred Income Tax

Deferred income tax is calculated based on the temporary differences between the carrying amounts of assets and liabilities recorded in the books and their tax bases used for calculating taxable income.

Deferred income tax liabilities are generally recognized for all taxable temporary differences, while deferred income tax assets are recognized when it is highly probable that there will be taxable income available for the use of deductible temporary differences or income tax credits generated from expenditures such as research and development and personnel training.

Deferred income tax liabilities are recognized for all taxable temporary differences related to investments in subsidiaries and associated enterprises, except when the Company can control the timing of the reversal of the temporary difference and it is highly probable that the temporary difference will not reverse in the foreseeable future. Deductible temporary differences associated with such investments are recognized as deferred income tax assets only to the extent that it is highly probable that there will be sufficient taxable income to realize the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer highly probable that sufficient taxable income will be available to allow all or part of the asset to be recovered. Deferred income tax assets that were not originally recognized are also reviewed at each balance sheet date, and the carrying amount is increased to the extent that it is highly probable that future taxable income will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred income tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

3. Current and Deferred Income Tax

Current and deferred income tax are recognized in profit or loss, except for current and deferred income tax relating to items recognized in other comprehensive income or directly in equity, which are recognized in other comprehensive income or directly in equity, respectively.

5. Main Sources of Significant Accounting Judgments, Estimates, and Uncertainty of Assumptions

When adopting accounting policies, for information that is not easily obtained from other sources, management must make relevant judgments, estimates, and assumptions based on historical experience and other relevant factors. Actual results may differ from these estimates.

When developing significant accounting estimates, the Company incorporates the potential impacts of inflation and market interest rate fluctuations into considerations of relevant significant accounting estimates such as cash flow projections, growth rates, discount rates, and profitability. Management will continuously review estimates and basic assumptions. If the revision of an estimate affects only the current period, it is recognized in the current period; if the revision of an accounting estimate affects both the current and future periods, it is recognized in both the current and future periods.

Main Sources of Estimation and Assumption Uncertainty

(1) Estimated Impairment of Financial Assets

The estimated impairment of accounts receivable is based on the Company's assumptions about probability of default and loss given default. The Company considers historical experience, current market conditions, and forward-looking information to make assumptions and select inputs for impairment assessment. If future actual cash flows are less than the Company's expectations, significant impairment losses may occur.

(2) Inventory Impairment

The net realizable value of inventory is estimated as the balance after deducting the estimated costs required for completion and the estimated costs necessary to make the sale from the estimated selling price in the ordinary course of business. These estimates are assessed based on current market conditions and historical sales experience of similar products. Changes in market conditions may significantly impact the results of these estimates.

6. Cash

	December 31, 2024	December 31, 2023
Cash on hand and revolving funds	$ 89	$ 88
Bank checks and demand deposits	158,625	217,397
	$158,714	$217,485

Interest rate ranges for bank deposits at the balance sheet date are as follows:

	December 31, 2024	December 31, 2023
Bank deposits	0.001%~0.800%	0.001%~1.450%

7. Financial assets measured at fair value through other comprehensive income

Equity instrument investments

	December 31, 2024	December 31, 2023
Non-current		
Domestic investments		
Unlisted (OTC) stocks		
Ubiik Inc. common stock	$ 35,457	$ 35,101

The Company invests in Ubiik Inc. common stock for medium to long-term strategic purposes and expects to profit through long-term investment. The Company's management believes that including the short-term fair value fluctuations of these investments in profit or loss would be inconsistent with the aforementioned long-term investment plan, and therefore chose to designate these investments as measured at fair value through other comprehensive income.

8. Notes receivable, accounts receivable, and other receivables

	December 31, 2024	December 31, 2023
Notes Receivable		
Total carrying amount measured at amortized cost	$ 2,273	$ 785
Arising from operations	$ 2,273	$ 785
Accounts receivable		
Total carrying amount measured at amortized cost	$ 360,688	$ 346,798
Less: Allowance for losses	(3,284)	(9,631)
	$ 357,404	$ 337,167
Other receivables		
Others	$ 11,000	$ 1,327

The Company's credit period for new customers is principally 90 days after shipping date, and the average credit period for some customers' sales is 30 to 180 days. Accounts receivable are non-interest bearing. The Company uses other publicly available financial information and historical transaction records to rate major customers. The Company continuously monitors credit exposure and counterparty credit ratings, and manages credit exposure through reviewed and approved counterparty credit limits.

The Company recognizes allowance for losses on accounts receivable based on lifetime expected credit losses. Lifetime expected credit losses are calculated using a provision matrix, which considers individual customer's financial condition and industry characteristics, competitive advantages and outlook. Based on industry characteristics, customers are classified into different risk groups, and allowance for losses is recognized according to the expected loss rate of each group.

If there is evidence that the counterparty is facing severe financial difficulties and the Company cannot reasonably expect to recover the amount, for example, when the counterparty is undergoing liquidation, the Company directly writes off the relevant accounts receivable. However, the Company will continue its collection activities, and amounts recovered through such activities are recognized in profit or loss.

The Company measures the allowance for losses on accounts receivable according to the provision matrix as follows:

December 31, 2024

	Not overdue	Overdue 1-60 days	Overdue 61-120 days	Overdue 121-180 days	Overdue More than 180 days	Total

Total carrying amount	$ 336,613	$ 19,698	$ 93	$ 46	$ 4,238	$ 360,688
Allowance for losses (lifetime expected credit losses)	(50)	(248)	(21)	(17)	(2,948)	(3,284)
Amortized cost	$ 336,563	$ 19,450	$ 72	$ 29	$ 1,290	$ 357,404

December 31, 2023

	Not overdue	Overdue 1-60 days	Overdue 61-120 days	Overdue 121-180 days	Overdue More than 180 days	Total
Total carrying amount	$ 308,856	$ 25,329	$ 2,657	$ 2,629	$ 7,327	$ 346,798
Allowance for losses (lifetime expected credit losses)	(470)	(985)	(848)	(1)	(7,327)	(9,631)
Amortized cost	$ 308,386	$ 24,344	$ 1,809	$ 2,628	$ -	$ 337,167

Movement information for allowance for losses on accounts receivable is as follows:

	2024	2023
Beginning balance	$ 9,631	$ 143
Add: Impairment loss recognized for the year	-	9,488
Less: Reversal of impairment loss for the year	(6,347)	-
Ending balance	$ 3,284	$ 9,631

9. Inventories

	December 31, 2024	December 31, 2023
Merchandise	$ 31,287	$ 16,711
Finished goods	29,079	64,927
Work in process and semi-finished goods	2,742	15,386
Raw materials	14,391	17,421
	$ 77,499	$ 114,445

Operating costs related to inventories are as follows:

	2024	2023
Operating costs	$ 1,115,504	$ 1,039,562
Provision for inventory valuation and obsolescence losses	$ 1,786	$ 8,327

10. Investments accounted for using the equity method

Investment in Subsidiaries

	December 31, 2024	December 31, 2023
Hua Hong International Ltd. (HUA HONG)	$ 501,572	$ 482,491
Hang Jian Technology Co., Ltd. (HANG JIAN)	-	16,373
Wha Yu USA Inc.	1,468	9,433
Wha Yu Vietnam Limited Liability Company	110,243	99,888
	$ 613,283	$ 608,185

	Ownership interest and percentage of voting rights	
Name of subsidiary	December 31, 2024	December 31, 2023
HUA HONG	100%	100%
HANG JIAN	-	50.12%
Wha Yu USA Inc.	100%	100%
Wha Yu Vietnam Limited Liability Company	100%	100%

For details of the Company's indirectly held subsidiary investments, please refer to Note 30.

11. Property, Plant and Equipment

For own use

	Own land	Buildings	Machinery and equipment	Research and development equipment	Office equipment	Transportation equipment	Leasehold improvements	Other equipment	Construction in progress	Total
Cost										
Balance as of January 1, 2024	$185,606	$513,333	$ 72,886	$135,715	$ 30,463	$ 1,942	$ 267	$ 22,839	$ 938	$963,989
Additions	-	341	1,594	14,173	5,761	-	-	100	-	21,969
Disposals	-	(966)	(648)	(28,790)	(14,827)	-	-	(120)	-	(45,351)
Reclassification	-	938	1,387	-	-	-	-	-	(938)	1,387
Balance as of December 31, 2024	$185,606	$513,646	$ 75,219	$121,098	$ 21,397	$ 1,942	$ 267	$ 22,819	$ -	$941,994
Accumulated depreciation and impairment										
Balance as of January 1, 2024	$ -	$129,873	$ 42,737	$101,983	$ 24,510	$ 1,942	$ 258	$ 10,114	$ -	$311,417
Depreciation Expenses	-	18,915	9,564	10,533	3,046	-	9	2,683	-	44,750
Disposals	-	(966)	(648)	(28,720)	(14,827)	-	-	(120)	-	(45,281)
Balance as of December 31, 2024	$ -	$147,822	$ 51,653	$ 83,796	$ 12,729	$ 1,942	$ 267	$ 12,677	$ -	$310,886
Net amount as of December 31, 2024	$185,606	$365,824	$ 23,566	$ 37,302	$ 8,668	$ -	$ -	$ 10,142	$ -	$631,108
Cost										
Balance as of January 1, 2023	$185,606	$509,041	$ 78,188	$113,568	$ 27,642	$ 1,942	$ 267	$ 22,486	$ 938	$939,678
Additions	-	4,394	4,749	22,565	3,139	-	-	353	-	35,200
Disposals	-	(102)	(10,051)	(418)	(318)	-	-	-	-	(10,889)
Balance as of December 31, 2023	$185,606	$513,333	$ 72,886	$135,715	$ 30,463	$ 1,942	$ 267	$ 22,839	$ 938	$963,989
Accumulated depreciation and impairment										
Balance as of January 1, 2023	$ -	$112,010	$ 36,646	$ 96,663	$ 22,221	$ 1,942	$ 205	$ 7,334	$ -	$277,021
Depreciation Expenses	-	17,965	9,233	5,738	2,607	-	53	2,780	-	38,376
Disposals	-	(102)	(3,142)	(418)	(318)	-	-	-	-	(3,980)
Balance as of December 31, 2023	$ -	$129,873	$ 42,737	$101,983	$ 24,510	$ 1,942	$ 258	$ 10,114	$ -	$311,417
Net amount as of December 31, 2023	$185,606	$383,460	$ 30,149	$ 33,732	$ 5,953	$ -	$ 9	$ 12,725	$ 938	$652,572

No impairment losses were recognized or reversed during 2024 and 2023.

Depreciation expense is calculated on a straight-line basis according to the following useful lives:

Buildings	
Main factory buildings	50 years
Power systems	10 years
Machinery and equipment	3 to 10 years
Research and development equipment	2 to 10 years
Office equipment	2 to 5 years
Transportation equipment	5 years
Leasehold improvements	3 years
Other equipment	2 to 6 years

Please refer to Note 28 for the amount of property, plant and equipment set as collateral for borrowings.

12. Lease Agreements

Other Lease Information

	2024	2023
Short-term lease expenses	$ 152	$ 225
Low-value asset lease expenses	$ 256	$ 183
Variable lease payments not included in the measurement of lease liabilities	$ -	$ 29
Total cash (outflow) for leases	($ 408)	($ 437)

13. Intangible Assets

	Computer software	Others	Total
Cost			
Balance as of January 1, 2024	$ 50,187	$ 2,708	$ 52,895
Additions	6,834	-	6,834
Disposals	-	(2,000)	(2,000)
Balance as of December 31, 2024	$ 57,021	$ 708	$ 57,729
Accumulated amortization and impairment			
Balance as of January 1, 2024	$ 45,757	$ 2,401	$ 48,158
Amortization Expenses	3,789	142	3,931
Disposals	-	(2,000)	(2,000)
Balance as of December 31, 2024	$ 49,546	$ 543	$ 50,089
Net amount as of December 31, 2024	$ 7,475	$ 165	$ 7,640

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	Computer software	Others	Total
Cost			
Balance as of January 1, 2023	$ 48,477	$ 2,708	$ 51,185
Additions	1,710	-	1,710
Balance as of December 31, 2023	$ 50,187	$ 2,708	$ 52,895
Accumulated amortization and impairment			
Balance as of January 1, 2023	$ 40,830	$ 2,160	$ 42,990
Amortization Expenses	4,927	241	5,168
Balance as of December 31, 2023	$ 45,757	$ 2,401	$ 48,158
Net amount as of December 31, 2023	$ 4,430	$ 307	$ 4,737

Amortization expenses are calculated on a straight-line basis over the following useful lives:

Computer software	1 to 3 years
Others	5 to 10 years

14. Other Assets

	December 31, 2024	December 31, 2023
Current		
Temporary payments	$ 4,379	$ 1,748
Input tax	1,438	2,327
Other prepaid expenses	691	766
Others	1,163	1,010
	$ 7,671	$ 5,851
Non-current		
Prepaid equipment payments	$ 201	$ 1,387

15. Borrowing

(1) Short-term borrowings

	December 31, 2024	December 31, 2023
Unsecured loans		
Related party borrowings (Note) (Note 27)	$ 107,472	$ 99,521

Note: Related party borrowings refer to funds borrowed by the Company from its associates. Interest expenses for 2024 and 2023 are calculated based on the outstanding borrowing balance multiplied by an annual interest rate of 2.50%.

(2) Long-term borrowings

	December 31, 2024	December 31, 2023
Secured and unsecured borrowings (Note 28)		
Bank loans (1)	$ 80,276	$ 96,330
Government-owned specialized bank loans (2) and (3)	171,572	224,500
Less: Government subsidies	-	(1,789)
Less: Listed as long-term borrowings due within 1 year	(57,872)	(68,983)
Long-term borrowings	$ 193,976	$ 250,058

1. For the long-term borrowings, repayment of the first principal begins after a three-year grace period from the first disbursement date in December 2019, followed by equal monthly installments until full repayment in December 2029. The annual interest rates as of December 31, 2024, and 2023 were 2.008%–2.1875%, and 1.5759%–2.019%, respectively.
2. This bank loan is a government preferential interest rate loan under the "Welcome Taiwanese Businesses to Return to Taiwan Investment Action Plan," which will gradually mature before February 2030. The annual interest rates as of December 31, 2024, and 2023 were bank loan rates of 1.46%～1.90% minus government subsidy rates of 0.97%～1.14%, and bank loan rate of 1.62% minus government subsidy rate of 1.13%, respectively. Therefore, the loan interest rates were 0.76%～1.03%, and 0.49%～0.89%, respectively.
3. This includes both secured and unsecured loans.

16. Other Liabilities

	December 31, 2024	December 31, 2023
Current		
Other payables		
Bonuses payable	$ 18,092	$ 17,292
Salaries payable	15,856	16,392
Accrued vacation pay	4,932	3,949
Service fees payable	1,958	1,497
Others	27,313	32,576
	68,151	71,706
Other liabilities		
Contract liabilities	4,320	3,254
Others	99	515
	4,419	3,769
Total	$ 72,570	$ 75,475

17. Post-employment Benefit Plans

(1) Defined contribution plans

The retirement system under the Labor Pension Act applicable to the Company and Hangjian Company is a government-managed defined contribution retirement plan, whereby 6% of employees' monthly salaries is contributed to their individual accounts at the Bureau of Labor Insurance.

(2) Defined benefit plans

The retirement pension system of the Company that is implemented in accordance with the "Labor Standards Act" of Taiwan is a government-managed defined benefit retirement plan. The payment of employee pensions is calculated based on years of service and the average wage of the six months prior to the approved retirement date. The Company contributes 2% of their employees’ total monthly salary to a pension fund, which is deposited into a dedicated account at the Bank of Taiwan under the name of the Labor Retirement Reserve Supervision Committee. If, by the end of the year, the estimated balance in the dedicated account is insufficient to pay employees who are expected to meet retirement conditions in the following year, the difference will be contributed in a lump sum by the end of March of the following year. This dedicated account is managed by the Bureau of Labor Funds, Ministry of Labor, and the Company does not have the right to influence investment management strategies.

The amounts of defined benefit plans included in the parent company only balance sheet are shown as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligations	$ 11,587	$ 15,144
Fair value of plan assets	(4,481)	(5,685)
Net Defined Benefit Liabilities	$ 7,106	$ 9,459

Changes in net defined benefit liability are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net Defined Benefit Liabilities
Balance as of January 1, 2023	$ 13,920	($ 5,185)	$ 8,735
Interest expenses (income)	189	(74)	115
Recognized in profit or loss	189	(74)	115
Remeasurements			
Return on plan assets (excluding amounts included in net interest)	-	(37)	(37)
Actuarial loss - changes in financial assumptions	1,098	-	1,098
Actuarial gain - experience adjustments	(63)	-	(63)
Recognized in other comprehensive income	1,035	(37)	998

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	Present value of defined benefit obligations	Fair value of plan assets	Net Defined Benefit Liabilities
Employer contributions	$ -	($ 389)	($ 389)
Balance as of December 31, 2023	15,144	(5,685)	9,459
Service cost			
Current service cost	22	-	22
Interest expenses (income)	189	(71)	118
Recognized in profit or loss	211	(71)	140
Remeasurements			
Return on plan assets (excluding amounts included in net interest)	-	(481)	(481)
Actuarial loss - changes in financial assumptions	(250)	-	(250)
Actuarial gain - experience adjustments	(1,386)	-	(1,386)
Recognized in other comprehensive income	(1,636)	(481)	(2,117)
Employer contributions	-	(363)	(363)
Benefit payments	(2,132)	2,119	(13)
Balance as of December 31, 2024	$ 11,587	($ 4,481)	$ 7,106

The Company is exposed to the following risks due to the retirement pension system of the Labor Standards Act:

1. Investment risk: The Bureau of Labor Funds, Ministry of Labor, through self-management and outsourced management, invests labor pension funds in domestic (foreign) equity securities, debt securities, bank deposits and other targets. However, the amount of plan assets that can be allocated to the Company is calculated based on a yield not lower than the interest rate of a 2-year fixed deposit at a local bank.
2. Interest rate risk: A decrease in the interest rate of government bonds will increase the present value of the defined benefit obligation, but the return on debt investment of the plan assets will also increase accordingly. The effect of these two factors on the net defined benefit liability is partially offsetting.
3. Salary risk: The calculation of the present value of the defined benefit obligation takes into account the future salaries of plan members. Therefore, an increase in the salaries of plan members will increase the present value of the defined benefit obligation.

The present value of the Company's defined benefit obligation is actuarially determined by a qualified actuary. The significant assumptions as of the measurement date are as follows:

	December 31, 2024	December 31, 2023
Discount rate	1.50%	1.25%
Expected salary increase rate	3.00%	3.00%

If significant actuarial assumptions undergo reasonably possible changes respectively, while all other assumptions remain unchanged, the amounts by which the present value of the defined benefit obligation would increase (decrease) are as follows:

	December 31, 2024	December 31, 2023
Discount rate		
Increase by 0.25%	($ 305)	($ 405)
Decrease by 0.25%	$ 317	$ 421
Expected salary increase rate		
Increase by 0.25%	$ 306	$ 406
Decrease by 0.25%	($ 297)	($ 393)

Since actuarial assumptions may be interrelated, the possibility of a change in only a single assumption is unlikely. Therefore, the above sensitivity analysis may not reflect the actual changes in the present value of the defined benefit obligation.

	December 31, 2024	December 31, 2023
Expected contribution amount within 1 year	$ 374	$ 45
Average maturity period of defined benefit obligations	10.99 Years	11.12Years

18. Equity

(1) Common stock capital

	December 31, 2024	December 31, 2023
Authorized shares (thousand shares)	200,000	200,000
Authorized capital	$ 2,000,000	$ 2,000,000
Number of shares issued and fully paid (thousand shares)	120,481	120,481
Issued capital	$ 1,204,804	$ 1,204,804

The issued common stocks have a par value of NT$10 per share, with each share carrying one voting right and the right to receive dividends.

Of the authorized capital, 2,000 thousand shares are reserved for the issuance of employee stock warrants.

(2) Capital surplus

	December 31, 2024	December 31, 2023
Can be used to offset losses, distribute cash or transfer to share capital (1)		
Share issuance premium	$ 4,775	$ 115,958
Corporate bond conversion premium	77,396	77,396
Treasury stock transactions	7,672	7,672
Cannot be used for any purpose		
Gain on disposal of assets	425	425
	$ 90,268	$ 201,451

1. This type of capital reserve can be used to offset losses, and when the company has no losses, it can also be used to distribute cash or transfer to share capital; however, the annual capitalization is limited to a certain percentage of the paid-in capital.

(3) Retained Earnings and Dividend Policy

According to the Company's Articles of Incorporation regarding profit distribution policy, if there is a profit in the annual final accounts, tax payments should be made in accordance with the law. After offsetting accumulated losses, 10% will be allocated as legal reserve. However, when the legal reserve reaches the amount of the Company's paid-in capital, no further allocation is required. The remainder will be set aside or reversed as special reserve in accordance with applicable laws and regulations. If there is still a balance, combined with accumulated undistributed earnings, the Board of Directors shall propose a profit distribution plan and submit it to the shareholders' meeting for resolution on the distribution of dividends to shareholders. For the Company's Articles of Incorporation policy regarding the distribution of employee and director remuneration, please refer to Note 20(8) Employee and Director Remuneration.

In addition, according to the Company's Articles of Incorporation, the Company is currently in a growth phase of operations. Considering the Company's future operational expansion plans, capital requirements, long-term financial planning, and the goal of achieving the sustainable operations, as well as pursuing long-term shareholder interests and maintaining stable operational performance, part or all of the distributable earnings may be allocated for shareholder dividends. Cash dividends shall not be less than 10% of the distributable shareholder dividends for the current year.

Legal reserve should be set aside until its balance reaches the total amount of the Company's paid-in capital. Legal reserve can be used to offset losses. When the Company has no losses, the portion of the legal reserve exceeding 25% of the total paid-in capital may be capitalized or distributed in cash.

The Company resolved at the annual shareholders' meeting on June 26, 2024 to not distribute earnings for 2023, and to use the legal reserve to offset losses of NT$3,398 thousand and capital surplus to offset losses of NT$111,183 thousand.

The Company's Board of Directors proposed on March 14, 2025 a deficit compensation plan for 2024, which is pending resolution at the annual shareholders' meeting scheduled to be held on June 25, 2025.

(4) Special Reserve

	2024	2023
Beginning and ending balance	$104,610	$104,610

Due to insufficient retained earnings increase resulting from the first-time adoption of IFRS accounting standards, a special reserve was only appropriated for the increase in retained earnings of NT$104,610 thousand arising from the conversion to IFRS accounting standards. The special reserve appropriated for the exchange differences on the translation of financial statements of foreign operations (including subsidiaries) is reversed proportionally to the Company's disposal ratio, and will be fully reversed when the Company loses significant influence. When distributing earnings, the Company should also appropriate additional special reserve for the difference between the net amount of other equity items deduction at the reporting date and the special reserve previously appropriated for the first-time adoption of IFRS accounting standards. Subsequently, when the balance of other equity deduction items is reversed, earnings may be distributed to the extent of the reversal.

(5) Other Equity Items

1. Exchange Differences on Translation of Foreign Operations

Exchange differences related to the translation of the net assets of foreign operations from their functional currencies to the Company's presentation currency (i.e., New Taiwan Dollar) are recognized as exchange differences on translation of foreign operations under other comprehensive income. Exchange differences previously accumulated in exchange differences on translation of foreign operations are reclassified to profit or loss when the foreign operation is disposed of.

2. Unrealized Valuation Gains and Losses on Financial Assets at Fair Value through Other Comprehensive Income

	2024	2023
Beginning balance	$ 6,741	$ 6,177
Generated during the year		
Unrealized gains and losses		
Equity instruments	356	564
Ending balance	$ 7,097	$ 6,741

19. Revenue

	2024	2023
Revenue from contracts with customers		
Merchandise Sales Revenue	$ 1,251,936	$ 1,154,491

(1) Contract balances

	December 31, 2024	December 31, 2023	December 31, 2023
Notes and accounts receivable (including related parties) (Note 8)	$ 372,717	$ 343,517	$ 690,001
Contract liabilities (Note 16)			
Merchandise Sales Revenue	$ 4,320	$ 3,254	$ 1,959

(2) Disaggregation of revenue from contracts with customers

Product category	2024	2023
High, medium, and low frequency wireless devices	$ 991,588	$ 884,439
Electronic and optical communication components	228,144	205,502
Electronic signal connecting devices	27,433	58,944
Electronic products	4,771	5,606
	$ 1,251,936	$ 1,154,491

Geographic region	2024	2023
Asia	$ 1,211,714	$ 1,074,567
Americas	28,299	76,815
Europe	11,923	3,109
	$ 1,251,936	$ 1,154,491

20. Net loss from continuing operations

(1) Other gains and losses, net

	2024	2023
Gains (Losses) on Disposal of Property, Plant and Equipment	($ 70)	$ 121

(2) Interest income

	2024	2023
Bank deposits	$ 2,551	$ 4,664

(3) Other income

	2024	2023
Rental income	$ 1,687	$ 3,401
Deferred government grants	1,413	1,902
Compensation income	2,000	600
Government grants	-	45
Others	21,121	8,618
	$ 26,221	$ 14,566

(4) Other gains and losses

	2024	2023
Net foreign currency exchange gain	$ 20,235	$ 14,222
Gains on Disposal of Investments	2,262	3,887
Impairment Loss on Non-financial Assets	-	(15,414)
Others	(271)	(2,786)
	$ 22,226	($ 91)

(5) Finance costs

	2024	2023
Interest on bank loans	$ 9,592	$ 9,010

(6) Depreciation and amortization

	2024	2023
Property, plant and equipment	$ 44,750	$ 38,376
Intangible assets	3,931	5,168
Total	$ 48,681	$ 43,544
Depreciation expenses summarized by function		
Operating costs	$ 21,913	$ 21,473
Operating expenses	22,837	16,903
	$ 44,750	$ 38,376
Amortization expenses summarized by function		

	2024	2023
Operating costs	$ 857	$ 916
Selling Expenses	40	372
Administrative Expenses	921	1,081
Research and Development Expenses	2,113	2,799
	$ 3,931	$ 5,168

(7) Employee benefit expenses

	2024	2023
Short-term employee benefits	$ 273,253	$ 242,199
Post-employment benefits (Note 17)		
Defined contribution plans	11,823	10,721
Defined benefit plans	140	115
	11,963	10,836
Other employee benefits	6,155	6,404
Total employee benefit expenses	$ 291,371	$ 259,439
Summarized by function		
Operating costs	$ 80,409	$ 73,483
Operating expenses	210,962	185,956
	$ 291,371	$ 259,439

(8) Employee and director remuneration

According to the articles of incorporation, the Company shall appropriate 10% to 20% of the profit before tax as employee remuneration, and no more than 3% of the profit before tax as director remuneration, before distributing any other profits. However, for 2024 and 2023, there was a net loss before tax, so no employee compensation and directors' compensation were estimated.

If there are still changes in the amount after the approval and issuance date of the annual parent company only financial statements, it will be treated as changes in accounting estimates and adjusted in the following year.

For information regarding employee compensation and directors' compensation resolved by the Company's Board of Directors, please refer to the Market Observation Post System of the Taiwan Stock Exchange.

(9) Foreign currency exchange (losses) gains

	2024	2023
Total foreign currency exchange gains	$ 22,647	$ 37,179
Total foreign currency exchange losses	(2,412)	(22,957)
Net gains	$ 20,235	$ 14,222

21. Income tax from continuing operations

(1) Income tax recognized in profit or loss

The Company incurred no income tax expenses for the years ended December 31, 2024, and 2023.

Reconciliation between accounting income and income tax expense is as follows:

	2024	2023
Net loss from continuing operations before tax	($ 145,828)	($ 120,065)
Income tax calculated at statutory tax rate on net loss before tax	($ 29,166)	($ 24,013)
Deductible benefits for tax purposes	5,881	(5,534)
Deductible expenses and losses for tax purposes	-	(20,444)

Nondeductible expenses and losses for tax purposes	-	(59)
Taxable income for tax purposes	3	110
Tax effect of loss carryforwards	31,432	43,571
Temporary differences	(8,150)	6,369
Income tax expense recognized in profit or loss	$ -	$ -

(2) Income tax assessment status

The Company's business income tax returns have been assessed by the tax authorities up to the year 2022.

22. Loss per share

Unit: NTD per share

	2024	2023
Basic and diluted loss per share	($ 1.21)	($ 1.00)

The net loss and weighted average number of common stocks used to calculate loss per share are as follows:

Net Loss for the Year

	2024	2023
Net loss used to calculate basic and diluted loss per share	($ 145,828)	($ 120,065)

Number of shares Unit: thousand shares

	2024	2023
Weighted average number of ordinary shares used to calculate basic and diluted loss per share	120,481	120,481

The Company incurred a loss in 2024 and 2023. If the impact of employee compensation is included, it would have an anti-dilutive effect, thus it is not included in the calculation of diluted earnings per share.

If the Company has the option to distribute employee compensation in shares or cash, when calculating diluted earnings per share, it is assumed that the employee compensation will be distributed in shares, and these potential ordinary shares are included in the weighted average number of outstanding shares when they have a dilutive effect, in order to calculate diluted earnings per share. When calculating diluted earnings per share before the resolution on the number of shares to be distributed as employee compensation in the following year, the dilutive effect of these potential ordinary shares continues to be considered.

23. Government Grants

As of December 31, 2024, the Company has obtained a government preferential rate loan of NT$171,572 thousand under the "Action Plan for Welcoming Taiwanese Businesses to Return and Invest in Taiwan," which is used for capital expenditures and operational turnover. This loan will be repaid in installments over a period of five to ten years. The deferred income is transferred to profit or loss over the useful life of the related assets.

24. Disposals of Investment in Subsidiaries - Loss of Control

The Company completed the disposal of 50.12% equity in HANG JIAN in June 2024 and lost control over it. For explanation of the disposal of HANG JIAN, please refer to Note 27 of the Company's 2024 consolidated financial statements.

25. Capital Risk Management

The Company conducts capital management to ensure that it can maximize shareholder returns by optimizing the balance between debt and equity on the premise of continuing operations. The Company's overall strategy has not significantly changed.

The Company's capital structure is composed of the Company's equity (i.e., share capital, capital surplus, retained earnings, and other equity items).

The Company is not subject to other external capital requirements.

26. Financial Instruments

(1) Fair Value Information - Financial Instruments Not Measured at Fair Value

The Company's management believes that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values.

(2) Fair Value Information - Financial Instruments Measured at Fair Value on a Recurring Basis

1. Fair Value Hierarchy

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial Assets Measured at Fair Value through Other Comprehensive Income				
Equity instrument investments				
- Domestic Unlisted (OTC) Stocks	$ -	$ -	$ 35,457	$ 35,457

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial Assets Measured at Fair Value through Other Comprehensive Income				
Equity instrument investments				
- Domestic Unlisted (OTC) Stocks	$ -	$ -	$ 35,101	$ 35,101

There were no transfers between Level 1 and Level 2 fair value measurements in 2024 and 2023.

2. Reconciliation of Financial Instruments Measured at Level 3 Fair Value

2024

Financial Assets	Financial Assets Measured at Fair Value through Other Comprehensive Income Equity instruments
Beginning balance	$ 35,101
Recognized in other comprehensive income	356
Ending balance	$ 35,457

2023

Financial Assets	Financial Assets Measured at Fair Value through Other Comprehensive Income Equity instruments
Beginning balance	$ 34,537
Recognized in other comprehensive income	564
Ending balance	$ 35,101

3. Valuation Techniques and Inputs for Level 3 Fair Value Measurement

Domestic unlisted (OTC) equity investments are measured using the income approach. The income approach calculates the present value of expected returns from holding the investment by discounting the future expected income of the underlying assets using an annual discount rate. Cash flows beyond five years are projected using a steady growth rate.

(3) Categories of Financial Instruments

	December 31, 2024	December 31, 2023
Financial Assets		
Measured at Amortized Cost (Note 1)	$ 542,736	$ 562,510
Financial Assets Measured at Fair Value through Other Comprehensive Income		
Equity instrument investments	35,457	35,101
Financial Liabilities		
Measured at Amortized Cost (Note 2)	672,439	615,401

Note 1: The balance includes cash, notes receivable, accounts receivable (including related parties), other receivables (including related parties), and refundable deposits, which are financial assets measured at amortized cost.

Note 2: The balance includes financial liabilities measured at amortized cost, such as short-term borrowings, current portion of long-term borrowings, other payables, long-term borrowings, notes and accounts payable (including related parties), and guarantee deposits received.

(4) Financial Risk Management Objectives and Policies

The Company's main financial instruments include equity, cash, notes and accounts receivable, bank loans, notes and accounts payable. The Company's financial management department provides services to business units, monitoring and managing financial risks related to the Company's operations through internal risk reports that analyze exposures according to the degree and extent of risks. These risks include market risk (including exchange rate risk and interest rate risk), credit risk, and liquidity risk.

The Company uses derivative financial instruments to hedge exposures and mitigate the impact of such risks. The use of derivative financial instruments is governed by policies approved by the Company's Board of Directors, which provide written principles for managing exchange rate risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investment of remaining liquidity. Internal auditors continuously review compliance with policies and exposure limits. The Company does not engage in transactions of financial instruments (including derivative financial instruments) for speculative purposes.
The financial management department reports quarterly to the Company's Board of Directors, which is an independent body responsible for monitoring risks and implementing policies to mitigate exposures.

1. Market Risk

The Company's operating activities expose it to major financial risks including foreign currency exchange rate risk (see (1) below), interest rate risk (see (2) below), and other price risks (see (3) below).

There has been no change in the Company's exposure to market risks related to financial instruments and the methods used to manage and measure those exposures.

(1) Foreign Exchange Risk

The Company engages in sales and purchase transactions denominated in foreign currencies, which exposes the Company to the risk of exchange rate fluctuations. To avoid fluctuations in future cash flows caused by exchange rate changes, the Company adopts economic hedging methods to maintain a balance between foreign currency net assets and liabilities.
The carrying amounts of the Company's monetary assets and liabilities denominated in non-functional currencies at the balance sheet date are referenced in Note 29.

Sensitivity Analysis

The Company is primarily affected by fluctuations in the US dollar and Chinese yuan exchange rates.

The following table provides a detailed sensitivity analysis when the Company's functional currency increases and decreases by 1% against each relevant foreign currency. The sensitivity analysis considers outstanding foreign currency monetary items and adjusts their end-of-period translation by a 1% change in exchange rates. The table below shows the amount by which pre-tax net income would increase or decrease when the functional currency depreciates by 1% relative to each relevant currency. The scope of the sensitivity analysis includes cash, accounts receivable, other receivables, short-term borrowings, accounts payable, and other payables.

	US Dollar Impact		Chinese Yuan Impact	
	2024	2023	2024	2023
Profit and Loss	$ 4,336(i)	$ 3,261(i)	($ 3,253)(ii)	($ 1,579)(ii)

(i) Primarily derived from outstanding USD-denominated receivables, payables, and borrowings of the Company at the balance sheet date for which no cash flow hedging has been implemented.

(ii) Primarily derived from outstanding CNY-denominated receivables and payables of the Company at the balance sheet date for which no cash flow hedging has been implemented.

(2) Interest Rate Risk

As the Company borrow funds at both fixed and floating interest rates, this creates interest rate exposure. The Company manages interest rate risk by maintaining an appropriate mix of fixed and floating interest rates.

The carrying amounts of financial assets and financial liabilities exposed to interest rate risk on the Company's balance sheet date are as follows:

	December 31, 2024	December 31, 2023
Fair value interest rate risk		
- Financial Liabilities	$ 107,472	$ 99,521
Cash flow interest rate risk		
- Financial Assets	158,625	217,397
- Financial Liabilities	251,848	319,041

Sensitivity Analysis

The following sensitivity analysis is determined based on the interest rate exposure of non-derivative instruments on the balance sheet date. For floating rate assets and liabilities, the analysis assumes that the amounts of assets and liabilities outstanding on the balance sheet date were outstanding throughout the reporting period.

If the interest rate increases or decreases by 1%, with all other variables remaining constant, the Company's pre-tax net (loss) profit for 2024 and 2023 would increase or decrease by NT$932 thousand and NT$1,016 thousand, respectively. This is mainly due to the Company's exposure to net assets and liabilities with variable interest rates.

(3) Other price risks

The price risk of the Company's equity instruments mainly comes from investments classified as financial assets at fair value through other comprehensive income.

Sensitivity Analysis

The following sensitivity analysis is conducted based on the equity price exposure on the balance sheet date.If equity prices rise/fall by 1%, the tax-after other comprehensive income for 2024 and 2023 will increase/decrease by NT$355 thousand and NT$351 thousand, respectively, due to the rise/fall in the fair value of financial assets measured at fair value through other comprehensive income.

2. Credit risk

Credit risk refers to the risk of financial loss to the Company caused by a counterparty defaulting on its contractual obligations. As of the balance sheet date, the maximum credit risk exposure (without considering collateral or other credit enhancement tools, and with an irrevocable maximum exposure amount) that may cause financial loss to the Company due to counterparties not fulfilling their obligations and the Company providing financial guarantees mainly comes from:

(1) The carrying amount of financial assets recognized in the parent company only balance sheet.

(2) The amount of contingent liabilities arising from financial guarantees provided by the Company.

The Company will rate its major customers using other publicly available financial information and mutual transaction records. The Company continuously monitors credit exposure and counterparty credit ratings, and distributes the total transaction amount among customers with qualified credit ratings, while controlling credit exposure through counterparty credit limits that are reviewed and approved annually by management.

3. Liquidity Risk

The Company manages and maintains sufficient positions of cash and cash equivalents to support group operations and mitigate the impact of cash flow fluctuations. The Company's management monitors the use of bank financing facilities and ensures compliance with borrowing contract terms.

Bank borrowings are an important source of liquidity for the Company. As of December 31, 2024 and 2023, the Company's unused short-term bank financing facilities were NT$558,925 thousand and NT$685,288 thousand, respectively.

The following table summarizes the analysis of the Company's financial liabilities with agreed repayment periods by maturity date and undiscounted maturity amounts:

December 31, 2024

	On demand or less than 1 month	1 to 3 months	3 months to 1 year	Over 1 year	Total
Non-derivative financial liabilities					
Short-term borrowings	$ -	$ -	$ 107,472	$ -	$ 107,472
Long-term borrowings (including those due within one year)	5,749	15,023	37,100	193,976	251,848
Notes Payable	1,103	-	-	-	1,103
Accounts payable	14,414	23,359	3,439	121	41,333
Accounts Payable - Related Parties	51,333	128,933	61,096	-	241,362
Accrued Expenses and Other Current Liabilities	29,271	-	-	-	29,271
	$ 101,870	$ 167,315	$ 209,107	$ 194,097	$ 672,389

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

	Less than 1 year	1 to 5 years	Over 5 years	Total
Floating-rate liabilities	$ 57,872	$ 189,578	$ 4,398	$ 251,848
Fixed-rate liabilities	107,472	-	-	107,472
	$ 165,344	$ 189,578	$ 4,398	$ 359,320

December 31, 2023

	On demand or less than 1 month	1 to 3 months	3 months to 1 year	Over 1 year	Total
Non-derivative financial liabilities					
Short-term borrowings	$ -	$ -	$ 99,521	$ -	$ 99,521
Long-term borrowings (including those due within one year)	5,749	17,246	45,988	250,058	319,041
Accounts payable	35,775	33,141	4,430	120	73,466
Accounts Payable - Related Parties	-	50,161	38,762	-	88,923
Accrued Expenses and Other Current Liabilities	34,072	-	-	-	34,072
	$ 75,596	$ 100,548	$ 188,701	$ 250,178	$ 615,023

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

	Less than 1 year	1 to 5 years	Over 5 years	Total
Floating-rate liabilities	$ 68,983	$ 203,219	$ 46,839	$ 319,041
Fixed-rate liabilities	99,521	-	-	99,521
	$ 168,504	$ 203,219	$ 46,839	$ 418,562

27. Related Party Transactions

The transactions between the Company and related parties are as follows:

(1) Names of Related Parties and Their Relationships

Names of Related Parties	Relationship with the Company
HUA HONG	Subsidiary
Dongguan AEON Tech Co., Ltd. (DONGGUAN AEON)	Indirectly held subsidiary

Names of Related Parties	Relationship with the Company
HANG JIAN	Subsidiary (non-related party since June 2024)
Wha Yu USA Inc.	Subsidiary
Wha Yu Vietnam Limited Liability Company	Subsidiary
Bi Qing Technology.	Substantive related party

(2) Operating Revenue

Account Item	Names of Related Parties	2024	2023
Sales Revenue	Tai Ling Biotech Inc.	$ 44,032	$ 33,680
	Bi Qing Technology.	2,408	-
	WhaYuVietnam	670	-
	HANG JIAN	16	-
		$ 47,126	$ 33,680

(3) Purchases

Names of Related Parties	2024	2023
DONGGUAN AEON	$ 639,705	$ 600,893
Wha Yu Vietnam	75	-
	$ 639,780	$ 600,893

The Company's purchases from and sales to related parties are not purchased from other suppliers or sold to other customers, so no market price comparisons are available. The transaction prices are determined based on market conditions and mutual agreement, and the payment terms are consistent with those applied to general suppliers and customers.

(4) Receivables from related parties (excluding loans to related parties)

Account Item	Names of Related Parties	December 31, 2024	December 31, 2023
Accounts receivable	DONGGUAN AEON	$ 11,835	$ 5,565
	Bi Qing Technology.	869	-
	WhaYuVietnam	336	-
		$ 13,040	$ 5,565
Other receivables	Bi Qing Technology.	$ 32	$ -
	DONGGUAN AEON	-	30
		$ 32	$ 30

Outstanding receivables from related parties are not secured by collateral. The provision for allowance for loss was not made for receivables from related parties in 2024 and 2023.

(5) Payables to related parties (excluding borrowings from related parties)

Account Item	Names of Related Parties	December 31, 2024	December 31, 2023
Accounts payable	DONGGUAN AEON	$ 241,286	$ 88,923
	Wha Yu Vietnam	76	-
		$ 241,362	$ 88,923
Accrued Expenses and Others Current Liabilities	HUA HONG	$ 1,709	$ 3,824
	DONGGUAN AEON	39	46
		$ 1,748	$ 3,870

Outstanding payables from related parties are not secured by collateral.

(6) Borrowings from related parties

Names of Related Parties	December 31, 2024	December 31, 2023
HUA HONG	$ 107,472	$ 99,521

Interest expenses (income)

Names of Related Parties	December 31, 2024	December 31, 2023
HUA HONG	$ 2,624	$ 1,596

The Company's borrowing interest rates from related parties are equivalent to market interest rates. Borrowings from subsidiaries are unsecured loans.

(7) Endorsements and Guarantees

For information regarding the Company's endorsements or guarantees for others, please refer to Note 30.

(8) Other Related Party Transactions

	Administrative Expenses	
	2024	2023
WhaYuUSA	$ 3,845	$ -

	Rental income	
	2024	2023
HANG JIAN	$ 162	$ 969

	Miscellaneous Income	
	2024	2023
HUA HONG	$ 3,824	$ -
Bi Qing Technology.	58	-
HANG JIAN	49	-
	$ 3,931	$ -

The Company's lease contracts with related parties have rental determination and collection methods equivalent to general lease transactions.

(9) Key Management Personnel Remuneration

	2024	2023
Short-term employee benefits	$ 28,174	$ 25,480
Post-employment Benefits	910	758
Other Employee Benefits	910	1,110
	$ 29,994	$ 27,348

The compensation for directors and other key management personnel is determined by the Compensation Committee based on individual performance and market trends.

28. Pledged Assets

The following assets have been provided as collateral for financing loans, issuance of acceptance bills, and bank performance guarantees:

	December 31, 2024	December 31, 2023
Buildings	$ 365,824	$ 383,460
Own land	185,606	185,606
	$ 551,430	$ 569,066

29. Information on Foreign Currency Assets and Liabilities with Significant Impact

The following information is presented in aggregate for foreign currencies other than functional currency of the Company. The disclosed exchange rates refer to the rates at which these foreign currencies are converted to the functional currency. The foreign currency assets and liabilities with significant impact are as follows:

December 31, 2024

Financial Assets	Foreign Currency	Exchange Rate	Carrying Amount
Monetary Items			
U.S. Dollar	$ 12,982	32.7850	$ 425,615
Renminbi	9,478	4.4780	42,442
Japanese Yen	17,519	0.2099	3,677
Hong Kong Dollar	270	4.2220	1,140
			$ 472,874

	Foreign Currency	Exchange Rate	Carrying Amount
Non-Monetary Items			
Subsidiaries and Associates Accounted for Using the Equity Method			
Renminbi	$ 112,008	4.4780	$ 501,572
VND	86,805,512	0.00127	110,243
U.S. Dollar	45	32.785	1,468
			$ 613,283

Financial Liabilities			
Monetary Items			
Renminbi	80,487	4.4780	$ 360,421
U.S. Dollar	462	32.7850	15,147
Japanese Yen	48,448	0.2099	10,169
			$ 385,737

December 31, 2023

Financial Assets	Foreign Currency	Exchange Rate	Carrying Amount
Monetary Items			
U.S. Dollar	$ 12,109	30.7050	$ 371,807
Renminbi	7,890	4.3270	34,140
Japanese Yen	15,720	0.2172	3,414
Hong Kong Dollar	269	3.9290	1,057
			$ 410,418
Non-Monetary Items			
Subsidiaries and Associates Accounted for Using the Equity Method			
Renminbi	111,507	4.3270	$ 482,491
VND	79,910,400	0.00125	99,888
U.S. Dollar	307	30.7050	9,433
			$ 591,812
Financial Liabilities			
Monetary Items			
Renminbi	44,372	4.3270	$ 191,998
U.S. Dollar	1,487	30.7050	45,658
Japanese Yen	17,291	0.2172	3,756
			$ 241,412

Significant unrealized foreign currency exchange gains and losses are as follows:

	2024		2023	
Foreign Currency	Exchange Rate	Net Exchange (Loss) Gain	Exchange Rate	Net Exchange (Loss) Gain
U.S. Dollar	32.785 (USD: NTD)	$ 7,240	30.705 (USD: NTD)	($ 10,253)
Renminbi	4.478 (RMB: NTD)	3,017	4.327 (RMB: NTD)	4,426
Hong Kong Dollar	4.222 (HKD: NTD)	116	3.929 (HKD: NTD)	37
Japanese Yen	0.2099 (JPY: NTD)	(55)	0.2172 (JPY: NTD)	19
		$ 10,318		($ 5,771)

30. Disclosures in Notes

(1) Information on Significant Transactions:

1. Loans to Others: Table 1.
2. Endorsements and Guarantees for Others: Table 2.
3. Marketable Securities Held at the End of the Period (Excluding Investments in Subsidiaries, Associates, and Joint Ventures): Table 3.
4. Accumulated Purchases or Sales of the Same Marketable Securities Amounting to NT$300 Million or 20% of the Paid-in Capital or More: None.
5. Acquisition of Real Estate Amounting to NT$300 Million or 20% of the Paid-in Capital or More: None.
6. Disposal of Real Estate Amounting to NT$300 Million or 20% of the Paid-in Capital or More: None.
7. Purchases or Sales with Related Parties Amounting to NT$100 Million or 20% of the Paid-in Capital or More: Table 4.
8. Receivables from related parties reaching NT$100 million or 20% of paid-in capital
9. Derivative Transactions: None.

(2) Information on Investees: Table 5.

(3) Information on Investment in Mainland China

1. Names of Investees in Mainland China, Principal Business Activities, Paid-in Capital, Method of Investment, Inward and Outward Remittance of Funds, Percentage of Ownership, Current Profit or Loss and Recognized Investment Gains or Losses, Carrying Amount of Investments at Period-end, Repatriated Investment Gains, and Limit on Investment in Mainland China: Please refer to Table 8.
2. Significant Transactions with Investees in Mainland China, Either Directly or Indirectly through a Third Party, and Their Prices, Payment Terms, and Unrealized Gains and Losses: Note 27.

(4) Information on Major Shareholders: Names, Number of Shares, and Percentage of Ownership of Shareholders with Ownership of 5% or Greater: None.

WHA YU INDUSTRIAL CO., LTD.

LOANS TO OTHERS

For the Years Ended December 31, 2024

Table 1

Unit: Unless otherwise specified, amounts are in New Taiwan Dollars (NTD thousand)

Number	Lender	Borrower	Related Account Item	Whether Related Party	Maximum Balance for the Current Period	Ending Balance	Actual Amount Drawn	Interest Rate Range	Nature of Financing	Business Transaction Amount	Reason for the Need of Short-term Financing	Allowance for Bad Debts	Collateral		Financing Limit for Individual Entity (Note 3)	Aggregate Financing Limit (Note 3)	Notes
													Name	Value			
1	HUA HONG	The Company	Other receivables	Yes	$ 102,994	$ -	$ -	2.5%	Short-term Financing	$ -	Operating Capital	$ -	—	$ -	$ 301,195	$ 301,195	—
1	HUA HONG	The Company	Other receivables	Yes	107,472	107,472	107,472	2.5%	Short-term Financing	-	Operating Capital	-	—	-	301,195	301,195	—

Note 1: The Company's lending of funds to an individual entity shall not exceed 10% of the Company's net worth; an overseas subsidiary's lending of funds to an individual entity shall not exceed 15% of the overseas subsidiary's net worth.

Note 2: The Company's total lending amount shall not exceed 40% of the Company's net worth; an overseas subsidiary's total lending amount shall not exceed 40% of the overseas subsidiary's net worth.

Note 3: For affiliated enterprises where the Company directly and indirectly holds 100% of the voting shares, the lending of funds between them is not subject to the limitations of short-term financing; however, both the total lending amount and the individual lending amount shall not exceed 60% of the company's net worth.

WHA YU INDUSTRIAL CO., LTD.

ENDORSEMENT/GUARANTEE FOR OTHERS

For the Years Ended December 31, 2024

Appendix 2

Unit: Unless otherwise specified, amounts are in New Taiwan Dollars (NTD thousand)

Number	Name of Endorser/ Guarantor Company	Entity Being Endorsed/Guaranteed		Limit of Endorsement/ Guarantee for a Single Enterprise	Maximum Balance of Endorsement/ Guarantee for the Current Period	Ending Balance of Endorsement/ Guarantee	Actual Amount Drawn	Endorsement/ Guarantee Amount Secured by Properties	Cumulative Endorsement/ Guarantee Amount as a Ratio of the Most Recent Financial Statement's Net Worth	Maximum Limit of Endorsement/ Guarantee (Note 3)	Endorsement/ Guarantee from Parent Company to Subsidiary	Endorsement/ Guarantee from Subsidiary to Parent Company	Endorsement/ Guarantee to China Region
		Company Name	Relationship										
0	The Company	DONGGUAN AEON	Indirectly Wholly-owned (100%) Subsidiary	$594,378 (Note 2)	$65,570 (USD 2,000 thousand)	$65,570 (USD 2,000 thousand)	$ -	$ -	5.52%	$ 594,378	Y	N	Y
		DONGGUAN AEON	Indirectly Wholly-owned (100%) Subsidiary	594,378 (Note 2)	98,355 (USD 3,000 thousand)	98,355 (USD 3,000 thousand)	-	-	8.27%	594,378	Y	N	Y

Note 1: The endorsement guarantee limit of the Company for a single enterprise shall not exceed 20% of the current net worth.

Note 2: For subsidiaries 100% owned by the Company, the aforementioned endorsement guarantee limit for a single enterprise does not apply.

Note 3: The total amount of external endorsement guarantees of the Company shall not exceed 50% of the current net worth.

Note 4: If any foreign currencies are involved in the figures in this table, they are converted to New Taiwan Dollars using the exchange rate on the financial report date.

WHA YU INDUSTRIAL CO., LTD.

STATUS OF SECURITIES HELD AT THE END OF THE PERIOD

December 31, 2024

Table 3

Unit: Unless otherwise specified, amounts are in New Taiwan Dollars (NTD thousand)

Type of Securities	Security Name	Relationship with Securities Issuer	Accounting Item	End of Period				Notes
				Number of Shares (shares)	Carrying Amount	Shareholding Ratio %	Fair Value	
Stock	Ubiik Inc.	—	Financial Assets at Fair Value through Other Comprehensive Income - Non-current	672,000	$ 35,457	2.81	$ 35,457	—

WHA YU INDUSTRIAL CO., LTD.

PURCHASES AND SALES WITH RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

For the Years Ended December 31, 2024

Table 4

Unit: Unless otherwise specified, amounts are in New Taiwan Dollars (NTD thousand)

Purchasing (Selling) Company	Counterparty	Relationship	Transaction Details				Transaction Terms and Reasons for Different Terms		Notes and Accounts Receivable (Payable)		Notes
			Purchases (Sales)	Amount	Percentage of Total Purchases (Sales) (%)	Credit Period	Unit Price	Credit Period	Balance	Percentage of Total Notes (Payable) Receivable and Accounts	
The Company	DONGGUAN AEON	Parent and Subsidiary Companies	Purchases	$ 639,705	64	90 days	Note	Equivalent	($ 241,286)	85	—

Note: This Company purchases from related parties but does not purchase from other suppliers, therefore there are no market prices available for comparison. The transaction prices are determined by both parties with reference to market conditions.

WHA YU INDUSTRIAL CO., LTD.

INVESTEE COMPANY INFORMATION, LOCATION, AND OTHER RELATED INFORMATION

For the Years Ended December 31, 2024

Table 5

Unit: Unless otherwise specified, amounts are in New Taiwan Dollars (NTD thousand)

Name of investing company	Investee company name	Location	Main business activities	Original investment amount		Ending balance held			Current (Loss) Profit of Investee Company (Note 2)	Current Recognized Investment (Loss) Profit (Note 2)	Notes
				End of current period	End of last year	Number of Shares (shares)	Ratio (%)	Carrying Amount (Note 2)			
The Company	HUA HONG	Mauritius	General investment	$245,822 (USD 7,498 thousand)	$230,226 (USD 7,498 thousand)	7,498,093	100	$ 501,572	$ 3,523	$ 3,523	Subsidiary
	HANG JIAN	Hsinchu City	Unmanned vehicle integration application related business	-	40,470	-	-	-	(1,369)	(686)	Subsidiary
	Wha Yu USAInc.	The U.S.	Network communication product local market consulting and customer service business	16,393 (USD 500 thousand)	15,353 (USD 500 thousand)	500,000	100	1,468	(8,444)	(8,444)	Subsidiary
	Wha Yu Vietnam Limited Liability Company	Vietnam	Production and sales of wireless network communication equipment and electronic components	147,533 (USD 4,500 thousand)	107,468 (USD 3,500 thousand)	-	100	110,243	(23,800)	(23,800)	Subsidiary

Note 1: The related figures in this table involving foreign currencies are converted to New Taiwan dollars at the exchange rate on the financial reporting date.

It is calculated based on financial statements of the investee company for the same period, which have been audited by an accountant.

Note 3: The Company completed the disposal procedure of its investment in HANG JIAN Company on June 13, 2024.

WHA YU INDUSTRIAL CO., LTD.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

For the Years Ended December 31, 2024

Table 6

Unit: Unless otherwise specified, amounts are in New Taiwan Dollars (NTD thousand)

Name of investee company in Mainland China	Main business activities	Paid-in Capital	Investment Method	The accumulated investment amount remitted from Taiwan at the beginning of the period	Amount of Investment Remitted or Recovered in Current Period		The accumulated investment amount remitted from Taiwan at the end of the period	Current (Loss) Profit of Investee Company	The Company's Direct or Indirect Investment Shareholding Ratio	Current Recognized Investment (Loss) Profit (Note 2)	End-of-Period Book Value	Repatriated Investment Returns As of the End of the Current Period	Notes
					Remitted	Recovered							
DONGGUAN AEON	Production and sales of broadband access network communication system equipment (wireless fixed access network communication equipment), new types of instrument components (instrument connectors)	RMB 81,267 (USD 11,100 thousand) Note 3	Note 1	USD 5,600 thousand	$	$	USD 5,600 thousand	RMB 1,637 thousand	100%	RMB 1,637 thousand	RMB 85,061 thousand	$	—
AEON TECHNOLOGY (SHANG HAI)CO., LTD.	Wholesale of electronic parts and components, cables, optical fibers, antennas and other communication accessories, import and export business of self-operated goods, and provision of related supporting services and consulting services; antenna research and development	RMB 43,708 (USD 5,970 thousand) Note 4	Note 1	USD 1,250 thousand			-	RMB 802 thousand	100%	RMB 802 thousand	-		—

The accumulated investment amount remitted from Taiwan to Mainland China at the end of the period	Investment amount approved by the Investment Commission, MOEA	In accordance with regulation of the Investment Commission, MOEA, the investment limit in Mainland China is 60% of net worth.
USD 13,662 thousand ($447,909)	USD 21,762 thousand ($713,467)	$713,253

Note 1: The Company invested in Hua Hong International Co., Ltd. in Mauritius, and then through the said company invested in the Mainland China company. The investment has been approved by the Investment Commission of the Ministry of Economic Affairs.

Note 2: It is calculated based on financial statements audited by the accountant for the same period.

Note 3: It was established by investing Taiwan's cumulative investment amount of USD 5,600 thousand and Hua Hong International Co., Ltd.'s own retained earnings of USD 5,500 thousand.

Note 4: It was established by investing Taiwan's cumulative investment amount of USD 1,250 thousand and Gao Sheng International Enterprise Co., Ltd.'s own retained earnings of USD 2,600 thousand. Subsequently, Dongguan Tailin Company increased capital in Shanghai Puxiang Company by RMB 13,500 thousand through its own retained earnings.

Note 5: The figures in this table involving foreign currencies are converted to New Taiwan dollars at the exchange rate on the financial reporting date.

Note 6: The Company's investment in Puxiang Company was completed on May 10, 2024.

§Description of Significant Accounting Items§

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WHA YU INDUSTRIAL CO., LTD.

STATEMENT OF CASH AND CASH EQUIVALENTS

December 31, 2024

Statement 1

Unit: Unless otherwise specified, amounts are in New Taiwan Dollars (NTD thousand)

Items	Summary	Amount
Working capital and cash on hand		$ 89
Bank deposits		
Checking accounts and demand deposits		47,148
Foreign currency deposits	USD 2,540 thousand (exchange rate US$1 ： NT$32.785), RMB 5,219 thousand (exchange rate RMB$1 ： NT$4.478), HKD 270 thousand (exchange rate HK$1：NT$4.222), and JPY 17,519 thousand (exchange rate PY$1：NT$0.2099).	111,477
Total		$158,714

WHA YU INDUSTRIAL CO., LTD.

STATEMENT OF ACCOUNTS RECEIVABLE

December 31, 2024

Statement 2 Unit: NT$ Thousand

Customer Name	Amount
Company A	$103,340
Company B	26,271
Company C	25,135
Company D	23,647
Company E	20,493
Company F	18,601
Others (note)	143,201
Total	360,688
Allowance for losses	(3,284)
Net amount	$357,404

Note: No individual account balance exceeds 5% of the total balance.

WHA YU INDUSTRIAL CO., LTD.

INVENTORY STATEMENT

December 31, 2024

Statement 3 | Unit: NT$ Thousand

Items	Amount	
	Cost	**Net realizable value**
Finished goods	$ 29,079	$ 34,233
Merchandise	31,287	34,304
Raw materials	14,391	16,564
Work in process and semi-finished goods	2,742	21,052
Net amount	$ 77,499	$106,153

Note: The combined insurance coverage for inventory and property, plant and equipment is NT$545,490 thousand.

WHA YU INDUSTRIAL CO., LTD.

STATEMENT OF FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT

For the Years Ended December 31, 2024

Statement 4

Unit: NT$ Thousand

Investee company	Beginning balance		Increase for the Year		Decrease for the Year		Unrealized Valuation Gains (Losses) on Financial Assets Measured at Fair Value through Other Comprehensive Income	Ending balance			Notes
	Number of Shares (In Thousands)	Amount	Number of Shares (In Thousands)	Amount	Number of Shares (In Thousands)	Amount		Number of Shares (In Thousands)	Shareholding Ratio %	Amount	
Financial Assets Measured at Fair Value through Other Comprehensive Income											
Unlisted (OTC) Company Stock											
Ubiik Inc.	672	$ 35,101	-	$ -	-	$ -	$ 356	672	3.00	$ 35,457	—

WHA YU INDUSTRIAL CO., LTD.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

For the Years Ended December 31, 2024

Statement 5

Unit: NT$ Thousand

Investee company name	Beginning amount		Increase for the Year		Decrease for the Year		Investment Gains and Losses Recognized Using the Equity Method	(Unrealized) realized profit	Translation Adjustment	Ending amount			Net Equity
	Number of Shares (In Thousands)	Amount	Number of Shares (In Thousands)	Amount	Number of Shares (In Thousands)	Amount				Number of Shares (In Thousands)	Shareholding Ratio %	Amount	
Hua Hong International Ltd	7,498	$ 482,491	-	$ -	-	$ -	$ 3,523	($ 1,192)	$ 16,750	7,498	100	$ 501,572	$ 501,991
Hang Jian Technology Co., Ltd.	2,130	16,373	-	-	(2,130)	(15,687)	(686)	-	-	-		-	-
Wha Yu USAInc.	500	9,433	-	-	-	-	(8,444)	-	479	500	100	1,468	1,468
Wha Yu Vietnam Limited Liability Company	-	99,888	-	32,390	-	-	(23,800)	-	1,765	-	100	110,243	110,243
		$ 608,185		$ 32,390		($ 15,687)	($ 29,407)	($ 1,192)	$ 18,994			$ 613,283	$ 613,702

Note: Calculated based on the audited financial statements by the accountant and according to the shareholding ratio.

WHA YU INDUSTRIAL CO., LTD.

STATEMENT OF SHORT-TERM BORROWINGS

December 31, 2024

Statement 6

Unit: NT$ Thousand

Borrowing Type	Borrowing Amount	Borrowing Period	Interest Rate Range (%)	Collateral or Guarantee
Working Capital Borrowings	$ 107,472	2024/5/17–2025/5/16	2.5	None

WHA YU INDUSTRIAL CO., LTD.

STATEMENT OF LONG-TERM BORROWINGS

December 31, 2024

Statement 7

Unit: NT$ Thousand

Creditor	Terms and Repayment Method	Annual Interest Rate (%)	Due within one year	Due in One Year	Total	Collateral or Guarantee
Taipei Fubon Commercial Bank	From December 26, 2019, to December 26, 2029, with principal and interest repaid in equal monthly installments starting from January 2023.	2.1755	$ 13,866	$ 55,463	$ 69,329	Note 30
Taipei Fubon Commercial Bank	From February 15, 2020, to February 15, 2030, with principal and interest repaid in equal monthly installments starting from March 2023.	2.1875	2,190	8,757	10,947	Note 30
Taipei Fubon Commercial Bank	From February 15, 2020, to February 15, 2025, with principal and interest repaid in equal monthly installments starting from March 2022.	1.0254	2,222	-	2,222	—
Taipei Fubon Commercial Bank	From April 15, 2020 to February 15, 2030, with principal and interest repaid in equal monthly installments starting from March 2023.	0.7611	2,866	11,940	14,806	Note 30
Taipei Fubon Commercial Bank	From April 15, 2020 to February 15, 2030, with principal and interest repaid in equal monthly installments starting from March 2023.	0.7611	2,292	9,552	11,844	Note 30
Taipei Fubon Commercial Bank	From June 15, 2020, to February 15, 2030, with principal and interest repaid in equal monthly installments starting from March 2023.	0.7611	2,292	9,552	11,844	Note 30
Taipei Fubon Commercial Bank	From June 17, 2020, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	392	588	980	—
Taipei Fubon Commercial Bank	From February 15, 2020, to February 15, 2030, with principal and interest repaid in equal monthly installments starting from March 2023.	0.7611	2,292	9,552	11,844	Note 30
Taipei Fubon Commercial Bank	From July 15, 2020, to February 15, 2030, with principal and interest repaid in equal monthly installments starting from March 2023.	0.7611	2,292	9,552	11,844	Note 30
Taipei Fubon Commercial Bank	From August 14, 2020, to February 15, 2030, with principal and interest repaid in equal monthly installments starting from March 2023.	0.7611	2,292	9,552	11,844	Note 30
Taipei Fubon Commercial Bank	From August 14, 2020, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	84	126	210	—
Taipei Fubon Commercial Bank	From September 15, 2020, to February 15, 2030, with principal and interest repaid in equal monthly installments starting from March 2023.	0.7611	2,292	9,552	11,844	Note 30
Taipei Fubon Commercial Bank	From October 15, 2020 to February 15, 2030, with principal and interest repaid in equal monthly installments starting from March 2023.	0.7611	2,006	8,358	10,364	Note 30
Taipei Fubon Commercial Bank	From November 13, 2020 to February 15, 2030, with principal and interest repaid in equal monthly installments starting from March 2023.	0.7611	2,866	11,940	14,806	Note 30
Taipei Fubon Commercial Bank	From January 15, 2021, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	149	223	372	—
Taipei Fubon Commercial Bank	From January 15, 2021, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	21	31	52	—
Taipei Fubon Commercial Bank	From February 17, 2021, to February 15, 2030, with principal and interest repaid in equal monthly installments starting from March 2023.	0.7611	1,433	5,970	7,403	Note 30
Taipei Fubon Commercial Bank	From February 17, 2021, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	109	164	273	—
Taipei Fubon Commercial Bank	From May 14, 2021, to February 15, 2030, with principal and interest repaid in equal monthly installments starting from March 2023.	0.7611	2,866	11,940	14,806	Note 30
Taipei Fubon Commercial Bank	From June 15, 2021, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	289	434	723	—
Taipei Fubon Commercial Bank	From June 15, 2021, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	84	126	210	—
Taipei Fubon Commercial Bank	From July 15, 2021, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	226	339	565	—
Taipei Fubon Commercial Bank	From September 15, 2021, to February 15, 2030, with principal and interest repaid in equal monthly installments starting from March 2023.	0.7611	596	2,483	3,079	Note 30
Taipei Fubon Commercial Bank	From October 15, 2021, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	68	102	170	—
Taipei Fubon Commercial Bank	From October 15, 2021, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	168	252	420	—
Taipei Fubon Commercial Bank	From October 15, 2021, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	210	315	525	—
Taipei Fubon Commercial Bank	From October 15, 2021, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	1,875	2,813	4,688	—
Taipei Fubon Commercial Bank	From October 15, 2021, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	273	410	683	—

Creditor	Terms and Repayment Method	Annual Interest Rate (%)	Due within one year	Due in One Year	Total	Collateral or Guarantee
Taipei Fubon Commercial Bank	From October 15, 2021, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	32	47	79	—
Taipei Fubon Commercial Bank	From October 15, 2021, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	84	126	210	—
Taipei Fubon Commercial Bank	From October 15, 2021, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	131	197	328	—
Taipei Fubon Commercial Bank	From November 15, 2021, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	966	1,449	2,415	—
Taipei Fubon Commercial Bank	From November 15, 2021, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	336	504	840	—
Taipei Fubon Commercial Bank	From November 15, 2021, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	365	547	912	—
Taipei Fubon Commercial Bank	From November 15, 2021, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	$ 179	$ 268	$ 447	—
Taipei Fubon Commercial Bank	From November 15, 2021, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	52	77	129	—
Taipei Fubon Commercial Bank	From November 15, 2021, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	127	191	318	—
Taipei Fubon Commercial Bank	From November 15, 2021, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	25	38	63	—
Taipei Fubon Commercial Bank	From December 15, 2021, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	597	896	1,493	—
Taipei Fubon Commercial Bank	From December 15, 2021, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	1,785	2,677	4,462	—
Taipei Fubon Commercial Bank	From December 15, 2021, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	222	333	555	—
Taipei Fubon Commercial Bank	From January 17, 2022, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	113	170	283	—
Taipei Fubon Commercial Bank	From February 15, 2022, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	71	107	178	—
Taipei Fubon Commercial Bank	From February 15, 2022, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	172	258	430	—
Taipei Fubon Commercial Bank	From March 15, 2022, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	368	551	919	—
Taipei Fubon Commercial Bank	From March 15, 2022, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	253	380	633	—
Taipei Fubon Commercial Bank	From July 15, 2022, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	2,963	4,444	7,407	—
Taipei Fubon Commercial Bank	From August 15, 2022, to June 17, 2027, with principal and interest repaid in equal monthly installments starting from July 2023.	1.0254	420	630	1,050	—
			$ 57,872	$ 193,976	$ 251,848	

WHA YU INDUSTRIAL CO., LTD.

STATEMENT OF ACCOUNTS PAYABLE

December 31, 2024

Statement 8 Unit: NT$ Thousand

Name of Supplier	Amount
Company A	$ 12,847
Company B	10,169
Company C	9,973
Others (note)	8,344
Total	$ 41,333

Note: No individual account balance exceeds 5% of the total balance.

WHA YU INDUSTRIAL CO., LTD.

STATEMENT OF OPERATING REVENUE

For the Years Ended December 31, 2024

Statement 9 | Unit: NT$ Thousand

Items	Quantity (thousand units/thousand pieces)	Amount
High, medium, and low frequency wireless devices	51,562	$ 999,935
Electronic and optical communication components	57,761	228,350
Electronic signal connecting devices	510	27,433
Electronic products	22	4,771
Total		1,260,489
Sales returns and allowances		(8,553)
Operating Net Revenue		$ 1,251,936

WHA YU INDUSTRIAL CO., LTD.

STATEMENT OF OPERATING COSTS

For the Years Ended December 31, 2024

Statement 10 Unit: NT$ Thousand

Items	Amount
Raw materials	
Beginning Raw materials	$ 17,421
Material Purchased for the Year	207,388
Ending Raw materials	(14,391)
Transferred to expenses	(852)
Sale of raw materials	(63,093)
Work-in-process transferred to raw materials	12
Others	38
Raw materials used	146,523
Direct labor	24,249
Manufacturing expenses	33,306
Manufacturing costs	204,078
Beginning work in process and semi-finished goods	15,386
Purchased work-in-process and semi-finished goods	9,554
Ending work-in-process and semi-finished goods	(2,742)
Sale of work-in-process and semi-finished goods	(660)
Transferred to expenses	(221)
Finished goods transferred to work-in-process	16,512
Work-in-process transferred to raw materials	(12)
Others	4
Costs of finished goods	241,899
Beginning finished goods	64,927
Finished goods purchased	567,322
Ending finished goods	(29,079)
Transferred to expenses	(3,156)
Finished goods transferred to work-in-process	(16,512)
Others	3,458
Sale of raw materials	63,093
Sale of work-in-process and semi-finished goods	660
Production and sales costs	892,612
Beginning Merchandise	16,711
Goods Purchased for the Year	177,530
Ending Merchandise	(31,287)
Expenses transferred in	59,938
Operating costs	$ 1,115,504

WHA YU INDUSTRIAL CO., LTD.

STATEMENT OF OPERATING EXPENSES

For the Years Ended December 31, 2024

Statement 11 Unit: NT$ Thousand

Items	Selling Expenses	Administrative Expenses	Research and Development Expenses
Salary expenses	$ 46,620	$ 52,758	$ 83,641
Employee insurance premiums	4,085	3,904	6,724
Depreciation	3,460	5,564	13,813
Labor costs	834	7,708	389
Service fees	484	6,486	407
Others (note)	25,498	14,271	22,698
Total	$ 80,981	$ 90,691	$ 127,672

Note: The amount for each item does not exceed 5% of the total amount for each account.

WHA YU INDUSTRIAL CO., LTD.

SUMMARY OF EMPLOYEE BENEFITS, DEPRECIATION, AND AMORTIZATION EXPENSES BY FUNCTION FOR THE CURRENT PERIOD

For the Years Ended December 31, 2024, and 2023

Statement 12

Unit: NT$ Thousand

	2024			2023		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expenses						
Salary expenses	$ 68,286	$ 183,019	$ 251,305	$ 61,647	$ 159,849	$ 221,496
Labor insurance and national health insurance expenses	6,345	14,713	21,058	6,119	13,485	19,604
Pension	3,198	8,765	11,963	3,007	7,829	10,836
Director remuneration	-	890	890	-	1,100	1,100
Others Employee benefit expenses	2,580	3,575	6,155	2,710	3,693	6,403
Total	$ 80,409	$ 210,962	$ 291,371	$ 73,483	$ 185,956	$ 259,439
Depreciation Expenses	$ 21,913	$ 22,837	$ 44,750	$ 21,473	$ 16,903	$ 38,376
Amortization Expenses	$ 857	$ 3,074	$ 3,931	$ 916	$ 4,252	$ 5,168

Note 1: The Company’s average number of employees at the end of each month in 2024 and 2023 was 238 and 228, respectively; among them, the number of directors not concurrently serving as employees was 8 for both years.

Note 2: (1) The average employee benefits expenses for 2024 were NT$1,262 thousand; for 2023, NT$1,174 thousand.

(2) The average employee benefits expenses for 2024 were NT$1,093 thousand; for 2023, NT$1,007 thousand.

(3) The adjustment in average employee salary expenses is 8.54%.

(4) The Company established the Audit Committee on June 19, 2020, so there were no Supervisors for 2024 and 2023.

(5) The Company’s remuneration policies (including directors, managers, and employees):

The Company’s remuneration is processed in accordance with the Articles of Articles of Association, the performance evaluation of the Remuneration Committee, and the salary management regulations.

Article 20 of the Company’s Articles of Association states that “If the Company has profits in a given year, 10% to 20% shall be allocated for employee remuneration, with an additional allocation of up to 3% for director remuneration.” Employee remuneration may be paid in stock or cash. However, when the Company has accumulated loss, it shall first reserve the amount to offset the losses, and allocate employee and director remuneration based on the abovementioned proportion.

The Company's performance evaluation and compensation should be based on industry standards, taking into account individual performance, company operational performance, and the relevance of future risks.