Stock Code: 3588

Leadtrend Technology Corporation and Subsidiaries

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

Notice to Readers

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Declaration of Consolidation of Financial Statements of Affiliates

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2024 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 "Consolidated Financial Statements". Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, Leadtrend Technology Corporation and Subsidiaries do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,
Leadtrend Technology Corporation
By
Yu-Kun Kao
Chairman
February 20, 2025

Independent Auditors' Report

The Board of Directors and Shareholders
Leadtrend Technology Corporation

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Leadtrend Technology Corporation and its subsidiaries as of December 31, 2024 and 2023 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC) and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Auditing Standards in the Republic of China. Our responsibilities under those standards are further described in the section of our report. We are independent of Leadtrend Technology Corporation and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the consolidated financial statements of Leadtrend Technology Corporation and its subsidiaries for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the consolidated financial statements of Leadtrend Technology Corporation and its subsidiaries for the year ended December 31, 2024 are stated as follows:

Recognition of Sales Revenue

1. For the significant sales revenue amounts of Leadtrend Technology Corporation and its subsidiaries, please refer to Note 21. Proceeds from sale of power management integrated circuits are the main revenue of Leadtrend Technology Corporation and its subsidiaries. To initiate the process of recognizing such revenue, the production management personnel provide the delivery order to get the products ready for the customer as instructed by the business segment. After the products to be shipped are ready, quality assurance personnel are informed and requested to inspect the products. After products are inspected and qualified, production management personnel sign and affix the official seal to the delivery order and the finished goods outbound order, have the products shipped after the approval of the authorized supervisor, and update the stock details in the operating system. Then the accountant recognizes the sales revenue based on the delivery order signed by the customer or the shipping company.
2. As the aforementioned transaction involves manual control, the risk of recognizing revenue by mistake or without obtaining the delivery order signed by the customer or the shipping company exists.
3. We consider the revenue recognition policy of Leadtrend Technology Corporation and its subsidiaries and evaluate appropriateness of the revenue recognition by understanding and testing the effectiveness of the internal controls on the approval of orders and the shipment procedures, sampling the vouchers relevant to sales revenue, reviewing the amounts received in cash or subsequent cash receipts in order to verify the existence and occurrence of the sales, and also check whether any abnormality about the entity to which products have been sold and the entity receiving payments exists.

Inventory Evaluation

Refer to Note 10 of the consolidated financial statements. It is significant that the inventory balance of Leadtrend Technology Corporation and its subsidiaries accounted for 34% of the total assets as of December 31, 2024. Valuation allowance for inventories is a material accounting estimate. Leadtrend Technology Corporation and its subsidiaries engage in design and development of integrated circuits, and sell products after outsourcing manufacturing. As such products can be replaced fast in the highly competitive industry, inventory depreciation and obsolescence risks may exist.

At the situations stated in any of the most important matters for the audit conducted this year, we have carried out the primary audit procedures as follows:

1. Understand and evaluate the rationality of the inventory valuation policy adopted by the management.
2. Obtain the evaluation information about the lower of inventory cost or net realizable value, sample and review the latest information of selling prices of inventories to verify the net realizable value of inventories and compare the net realizable value of inventories with the book cost of inventories to test the rationality of the amount allocated as inventory loss. Obtain the inventory aging statements, sample and review the inventory change information to test whether the inventory aging classification, inventory quantity and amount are consistent in order to verify the accuracy and completeness of the inventory aging statements. Then verify the rationality of the amount allocated as inventory obsolescence loss pursuant to the inventory evaluation policy.
3. Carry out inventory retrospectability testing. Review the status of inventory write-off and compare it with the inventory obsolescence loss allocation policy to verify whether the inventory obsolescence loss allocated for the current period is proper.

Other Matters

We have audited the financial statements of Leadtrend Technology Corporation for the years ended December 31, 2024 and 2023 on which we have issued the auditors' report containing an unqualified opinion for reference.

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

Management is responsible for preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations, which have been endorsed and issued into effect by the Financial Supervisory Commission, and also responsible for maintenance of the internal controls associated with the preparation of the consolidated financial statements, to ensure the consolidated financial statements free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is also responsible for assessing the ability of Leadtrend Technology Corporation and its subsidiaries to continue, as a going concern, disclosing any and all relevant matters and using the going concern basis of accounting unless management either intends to liquidate Leadtrend Technology Corporation and its subsidiaries or cease operations, or has no feasible alternative but to do so.

Those charged with governance (including the audit committee) are responsible for overseeing the financial reporting process of Leadtrend Technology Corporation and its subsidiaries.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If misstatements could, individually or in the aggregate, be reasonably expected to influence the economic decisions of users taken based on the consolidated financial statements, then the misstatements are considered material.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
2. Obtain an understanding of the internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of Leadtrend Technology Corporation and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used, and the reasonableness of accounting estimates and related disclosures made, by management.
4. Conclude, based on the audit evidence obtained, on the appropriateness of the management's use of the going concern basis of accounting, and whether a material uncertainty exists that is associated with any events or conditions casting significant doubt on the ability of Leadtrend Technology Corporation and its subsidiaries to continue as a going concern. If we believe that a material uncertainty exists, we are required to draw attention in our auditors' report to the relevant disclosures in the consolidated financial statements, or to modify our opinion if such disclosures are inadequate. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Leadtrend Technology Corporation and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including the notes thereof) and whether the consolidated financial statements appropriately represent the underlying transactions and events.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities within Leadtrend Technology Corporation and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit conducted for Leadtrend Technology Corporation and its subsidiaries, and also responsible for our audit opinion.

We have communicated with those charged with governance about the planned scope and timing of the audit, and significant audit findings (including any and all significant flaws identified, during our audit, in the internal controls).

We have also provided those charged with governance with a statement, declaring that we as CPAs comply with applicable ethical requirements regarding independence, and have communicated with them about all relationships and other matters that may reasonably be considered to influence our independence (including relevant protection measures).

From the matters communicated with those charged with governance, we have determined the key audit matters in the audit of the consolidated financial statements of Leadtrend Technology Corporation and its subsidiaries for the year ended December 31, 2024. We have described these matters in our auditors' report unless any law or regulation prohibits the matters from being disclosed or when, in extremely rare circumstances, we decide that the matters should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interests to be facilitated.

The engagement partners on the audit resulting in this independent auditors' report are Yu-Feng Huang and Mei-Chen Tsai.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 20, 2025

Leadtrend Technology Corporation and Subsidiaries

Consolidated Balance Sheets

December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
Code	Assets	Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 493,439	24	$ 457,745	24
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	103,975	5	83,823	5
1170	Notes and accounts receivable (Notes 4, 5 and 9)	236,825	11	191,426	10
130X	Inventories (Notes 4, 5 and 10)	709,100	34	607,755	32
1470	Other current assets (Note 15)	12,047	1	19,210	1
11XX	Total current assets	1,555,386	75	1,359,959	72
	Non-current assets				
1535	Financial assets at amortized cost- non-current (Notes 4 and 8)	1,000	-	-	-
1600	Property, plant and equipment (Notes 4 and 12)	462,119	22	477,962	26
1755	Right-of-use assets (Notes 4 and 13)	34,656	2	20,748	1
1780	Intangible assets (Notes 4 and 14)	7,130	-	11,132	1
1840	Deferred tax assets (Notes 4 and 23)	-	-	541	-
1990	Other non-current assets (Notes 4 and 15)	8,084	1	7,747	-
15XX	Total non-current assets	512,989	25	518,130	28
1XXX	Total assets	$ 2,068,375	100	$ 1,878,089	100
	Liabilities and Equity				
	Current liabilities				
2170	Accounts payable	$ 108,662	5	$ 107,636	6
2200	Remunerations payable to employees and directors (Note 22)	23,042	1	19,215	1
2230	Current tax liabilities (Notes 4 and 23)	8,682	-	10,844	-
2280	Lease liabilities- current (Notes 4 and 13)	12,989	1	11,785	1
2320	Long-term bank loan-current portion (Notes 4 and 16)	10,208	1	-	-
2399	Other current liabilities (Note 17)	79,083	4	75,259	4
21XX	Total current liabilities	242,666	12	224,739	12
	Non-current liabilities				
2540	Long-term bank loans (Notes 4 and 16)	24,792	1	-	-
2570	Deferred tax liabilities (Notes 4 and 23)	335	-	-	-
2580	Lease liabilities- non-current (Notes 4 and 13)	21,652	1	9,529	1
2645	Guarantee deposits received	13,138	1	860	-
25XX	Total non-current liabilities	59,917	3	10,389	1
2XXX	Total liabilities	302,583	15	235,128	13
	Equity (Notes 4, 19 and 20)				
	Stock capital				
3110	Ordinary share	604,421	29	589,178	31
	Capital surplus				
3210	Share premium	250,212	12	254,672	14
3251	Donations received from shareholders	84,732	4	84,732	4
3273	Employee restricted stock award shares	61,218	3	50,306	3
3280	Others	131	-	125	-
	Retained earnings				
3310	Legal reserve	218,171	11	215,284	11
3320	Special reserve	786	-	-	-
3350	Unappropriated earnings	581,831	28	485,253	26
	Other Equity				
3410	Exchange differences on translating the financial statements of foreign operations	9,971	-	(786)	-
3491	Employees' unearned compensation	(45,681)	(2)	(35,803)	(2)
3XXX	Total equity	1,765,792	85	1,642,961	87
	Total liabilities and equity	$ 2,068,375	100	$ 1,878,089	100

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

Leadtrend Technology Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		2024 Amount	2024 %	2023 Amount	2023 %
	Operating revenue (Notes 4, 21 and 31)				
4110	Sales revenue	$ 1,478,831	102	$ 1,168,764	102
4170	Sales returns and allowances	(24,925)	(2)	(27,170)	(2)
4000	Net operating revenue	1,453,906	100	1,141,594	100
	Operating costs (Notes 10, 18 and 22)				
5110	Cost of goods sold	901,475	62	712,066	63
5900	Gross profit	552,431	38	429,528	37
	Operating expenses (Notes 18 and 22)				
6100	Selling expenses	67,320	5	69,935	6
6200	Administrative expenses	117,226	8	97,927	9
6300	Research and development expenses	282,932	19	267,371	23
6000	Total operating expenses	467,478	32	435,233	38
6900	Net operating income (loss)	84,953	6	(5,705)	(1)
	Non-operating income and expenses (Note 22)				
7100	Interest income	6,684	-	4,207	1
7010	Other incomes	5,147	-	22,772	2
7020	Other gains and losses	15,201	1	3,909	-
7050	Finance cost	(557)	-	(461)	-
7000	Total non-operating income and expenses	26,475	1	30,427	3
7900	Profit before income tax	111,428	7	24,722	2
7950	Income tax benefit (Notes 4 and 23)	(461)	-	(4,142)	(1)
8200	Net profit for the year	111,889	7	28,864	3

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Code		2024 Amount	2024 %	2023 Amount	2023 %
	Other comprehensive incomes (losses)				
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations (Note 19)	$ 10,757	1	($ 6,388)	(1)
8300	Total other comprehensive net incomes	10,757	1	(6,388)	(1)
8500	Total comprehensive incomes for the year	$ 122,646	8	$ 22,476	2
	Earnings per share (Note 24)				
9750	Basic	$ 1.89		$ 0.49	
9850	Diluted	$ 1.86		$ 0.48	

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

Leadtrend Technology Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars, except as otherwise indicated herein)

		Share capital		Capital surplus				Retained earnings				Other Equity		
Code		Shares (In Thousands)	Amount	Share premium	Donations received from shareholders	Employee restricted stock award shares	Others	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translating the financial statements of foreign operations	Employees' unearned compensation	Total equity
A1	Balance at January 1, 2023	56,883	$ 568,838	$ 258,027	$ 84,732	$ 47,567	$ 106	$ 199,793	$ -	$ 520,231	$ 720,024	$ 5,602	($ 31,945)	$ 1,652,951
	Distribution of retained earnings for 2022													
B1	Legal reserve	-	-	-	-	-	-	15,491	-	(15,491)	-	-	-	-
B5	Cash dividends to shareholders－$0.550 per share	-	-	-	-	-	-	-	-	(31,286)	(31,286)	-	-	(31,286)
B9	Stock dividends to shareholders－$0.300 per share	1,707	17,065	-	-	-	-	-	-	(17,065)	(17,065)	-	-	-
	Total distribution of retained earnings	1,707	17,065	-	-	-	-	15,491	-	(63,842)	(48,351)	-	-	(31,286)
C15	Capital surplus used for distribution of cash dividends－$0.350 per share	-	-	(19,909)	-	-	-	-	-	-	-	-	-	(19,909)
C17	Changes in other capital surplus	-	-	-	-	-	19	-	-	-	-	-	-	19
D1	Net profit for the years ended December 31, 2023	-	-	-	-	-	-	-	-	28,864	28,864	-	-	28,864
D3	Other comprehensive incomes (losses) for the years ended December 31, 2023	-	-	-	-	-	-	-	-	-	-	(6,388)	-	(6,388)
D5	Total comprehensive incomes (losses) for the years ended December 31, 2023	-	-	-	-	-	-	-	-	28,864	28,864	(6,388)	-	22,476
N1	Issuance of employee restricted stock award shares	420	4,200	-	-	23,730	-	-	-	-	-	-	(27,930)	-
N1	Employee restricted stock award shares granted to employees	-	-	16,554	-	(16,554)	-	-	-	-	-	-	-	-
N1	Cancelled employee restricted stock award shares	(92)	(925)	-	-	925	-	-	-	-	-	-	-	-
N1	Compensation cost for employee restricted stock award shares	-	-	-	-	(5,362)	-	-	-	-	-	-	24,072	18,710
Z1	Balance at December 31, 2023	58,918	589,178	254,672	84,732	50,306	125	215,284	-	485,253	700,537	(786)	(35,803)	1,642,961
	Distribution of retained earnings for 2023													
B1	Legal reserve	-	-	-	-	-	-	2,887	-	(2,887)	-	-	-	-
B3	Special reserve	-	-	-	-	-	-	-	786	(786)	-	-	-	-
B9	Stock dividends to shareholders－$0.200 per share	1,164	11,638	-	-	-	-	-	-	(11,638)	(11,638)	-	-	-
	Total distribution of retained earnings	1,164	11,638	-	-	-	-	2,887	786	(15,311)	(11,638)	-	-	-
C15	Capital surplus used for distribution of cash dividends－$0.400 per share	-	-	(23,275)	-	-	-	-	-	-	-	-	-	(23,275)
C17	Changes in other capital surplus	-	-	-	-	-	6	-	-	-	-	-	-	6
D1	Net profit for the years ended December 31, 2024	-	-	-	-	-	-	-	-	111,889	111,889	-	-	111,889
D3	Other comprehensive incomes (losses) for the years ended December 31, 2024	-	-	-	-	-	-	-	-	-	-	10,757	-	10,757
D5	Total comprehensive incomes (losses) for the years ended December 31, 2024	-	-	-	-	-	-	-	-	111,889	111,889	10,757	-	122,646
N1	Issuance of employee restricted stock award shares	420	4,200	-	-	32,928	-	-	-	-	-	-	(37,128)	-
N1	Employee restricted stock award shares granted to employees	-	-	18,815	-	(18,815)	-	-	-	-	-	-	-	-
N1	Cancelled employee restricted stock award shares	(60)	(595)	-	-	595	-	-	-	-	-	-	-	-
N1	Compensation cost for employee restricted stock award shares	-	-	-	-	(3,796)	-	-	-	-	-	-	27,250	23,454
Z1	Balance at December 31, 2024	60,442	$ 604,421	$ 250,212	$ 84,732	$ 61,218	$ 131	$ 218,171	$ 786	$ 581,831	$ 800,788	$ 9,971	($ 45,681)	$ 1,765,792

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

Leadtrend Technology Corporation and Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars)

Code		2024	2023
	Cash flows from operating activities		
A10000	Profit before income tax	$ 111,428	$ 24,722
A20010	Adjustments for:		
A20100	Depreciation expense	74,833	87,235
A20200	Amortization expense	6,588	10,516
A20400	Net gain on financial assets or liabilities at fair value through profit or loss	(1,546)	(1,102)
A20900	Finance costs	557	461
A21200	Interest incomes	(6,684)	(4,207)
A21900	Compensation cost on restricted stock for employees	23,454	18,710
A22500	Loss (gain) on disposal of property, plant and equipment	8	(1,843)
A23700	Write-down of inventories	7,433	14,609
A24100	Net (gain) loss on foreign exchange	(10,524)	3,377
A30000	Changes in operating assets and liabilities		
A31150	Notes and accounts receivable	(39,800)	(24,531)
A31200	Inventories	(108,783)	185,641
A31240	Other current assets	7,139	2,367
A32150	Accounts payable	(1,260)	45,099
A32200	Remunerations payable to employees and directors	3,827	(18,293)
A32230	Other current liabilities	225	(18,978)
A32240	Defined benefit liabilities	-	(4,840)
A33000	Cash generated from operations	66,895	318,943
A33300	Interest paid	(557)	(461)
A33500	Income tax paid	(819)	(584)
AAAA	Net cash generated by operating activities	65,519	317,898

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Code		2024	2023
	Cash flows from investing activities		
B00040	Acquisition of financial assets at amortized cost	($ 1,000)	$ -
B00100	Acquisition of financial assets at fair value through profit or loss	(91,799)	(103,848)
B00200	Disposal of financial assets at fair value through profit or loss	76,126	75,723
B02700	Acquisition of property, plant and equipment	(38,359)	(34,380)
B02800	Proceeds from disposal of property, plant and equipment	-	10,395
B03700	(Increase) decrease in refundable deposits	(180)	15,289
B04500	Acquisition of intangible assets	(5,153)	(7,819)
B07500	Interest received	6,702	4,037
BBBB	Net cash used in investing activities	(53,663)	(40,603)
	Cash flows from financing activities		
C00100	Increase in short-term loans	30,000	-
C00200	Decrease in short-term loans	(30,000)	-
C01600	Proceeds from long-term debt	35,000	-
C03000	Increase (decrease) in guarantee deposits received	12,278	(54)
C04020	Payments of lease liabilities	(13,655)	(12,762)
C04500	Cash dividends paid	(23,275)	(51,195)
C09900	Other financing activities	6	19
CCCC	Net cash provided by (used in) financing activities	10,354	(63,992)
DDDD	Effect of exchange rate changes on cash and cash equivalents	13,484	(6,238)
EEEE	Net increase in cash and cash equivalents	35,694	207,065
E00100	Cash and cash equivalents at the beginning of the year	457,745	250,680
E00200	Cash and cash equivalents at the end of the year	$ 493,439	$ 457,745

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

Leadtrend Technology Corporation and Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023
(In thousands of New Taiwan Dollars, except as otherwise indicated herein)

1. General Information

   Leadtrend Technology Corporation (hereinafter referred to as Leadtrend), incorporated on September 18, 2002 after the approval of Ministry of Economic Affairs, mainly engages in research, development, production, manufacturing and sale of analog integrated circuits.

   Stocks of Leadtrend have been traded at Taiwan Stock Exchange Corporation since August 14, 2009.

   The New Taiwan Dollar, the functional currency adopted by Leadtrend, is used to express amounts indicated in the consolidated financial statements.

2. Date and Procedure of Adoption of Financial Statements

   The consolidated financial statements were approved by the board of directors on February 20, 2025 to be published.

3. Applicability of New and Amended Standards and Interpretations

   (1) International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretation (IFRIC) and Interpretation Notices (SIC) recognized and issued by the Financial Supervisory Commission (hereinafter referred to as "IFRSs") as applied initially. The application of the revised IFRSs approved and issued by the FSC will not result in any material change in the accounting policies of Affiliated Companies.

   Application of the IFRSs, which are recognized and published by the FSC, does not cause any significant change in accounting policies of Leadtrend and its subsidiaries (hereinafter referred to as the Company).

   (2) IFRS approved by the Financial Supervisory Commission applicable in 2025.

Standards Published / Amended / Revised and Interpretations	Effective date of IASB issued
Amendment to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 1)

Note1: They are applicable for the annual reporting periods beginning after January 1, 2025. When this amendment is applied for the first time, the comparative period shall not be restated, but the impact shall be recognized in the retained earnings or exchange differences of foreign operating institutions under equity (as appropriate) on the date of initial application and the related affected assets and liabilities.

(3) IFRSs Published by IASB already but Not Recognized or Published by FSC Yet:

Standards Published / Amended / Revised and Interpretations	Effective date of IASB issued (Note 1)
"Annual Improvement of IFRS Accounting Standards - Volume 11"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
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 Investors and Their Affiliates or Joint Ventures"	To be determined by IASB
IFRS 17 "Insurance Contract"	January 1, 2023
Amendment to IFRS 17	January 1, 2023
Amendment 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 publicly accountable: Disclosure"	January 1, 2027

Note1: Except otherwise as indicated, the standards newly published/amended/revised or interpretations shall come into effect from the annual reporting period after the indicated date.

As of the date of adopting these consolidated financial statements, the Company continues to evaluate the impact of amendments to other standards and interpretations on financial position and financial performance, and the relevant impact will be disclosed when the evaluation is completed.

4. Summary of Material Accounting Policies

(1) Declaration of Compliance

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs recognized and published by the FSC.

(2) Preparation Basis

The consolidated financial statements are prepared on the basis of historical cost, except for the financial instruments at fair value, and the net defined benefit liability recognized based on the present value of defined benefit obligations less the fair value of plan assets.

Fair value measurement is classified from level 1 to level 3 based on observable level and importance of relevant inputs.

A. Level 1 Inputs: They refer to the prices of the same assets or liabilities obtained in the active market on measurement date (not adjusted).

B. Level 2 Inputs: They refer to direct inputs (i.e. prices) or indirect inputs (presumed from prices) observable, except level 1 prices, for assets or liabilities.

C. Level 3 Inputs: They refer to inputs not observable for assets or liabilities.

(3) Standards of Distinguishing Current Assets and Liabilities from Non-current Assets and Liabilities

Current assets:

A. The assets held primarily for trading purposes.

B. Assets expected to be realized within 12 months after the balance sheet date.

C. Cash and cash equivalents (not including the same that would be used to exchange or pay off liabilities 12 months after the balance sheet date and be therefore restricted).

Current liabilities:

A. The liabilities held primarily for trading purposes.

B. The liabilities due for settlement within 12 months after the balance sheet date.

C. Liabilities for which there is no substantive right at the balance sheet date to defer settlement to at least 12 months after the balance sheet date.

The assets and liabilities which are not listed as current assets and current liabilities above are classified as non-current assets and non-current liabilities.

(4) Consolidation Basis

The consolidated financial statements include the financial statements of Leadtrend and the entities that it controls (i.e. subsidiaries). The financial statements of subsidiaries have been adjusted so as to cause the accounting policies used by the subsidiaries to be consistent with those used by the Company. The transactions, account balances, incomes and expenses among individual entities were eliminated completely during the preparation of the consolidated financial statements.

Please refer to Notes 11 and 30 for the detailed information, shareholding and business activities of each subsidiary.

(5) Foreign Currency

The functional currency adopted by Leadtrend is the New Taiwan Dollar. For the transactions completed by an entity of the Company using a (foreign) currency rather than its functional currency, the entity converts the foreign currency to the functional currency at the exchange rate prevailing on the date of transaction in preparing the financial statements.

Foreign monetary items are converted at the closing rate on the balance sheet date. Exchange differences generated from the transfer or conversion of monetary items are recognized in profit or loss for the current year when the differences occur.

Foreign currency non-monetary items measured at fair value are converted at the exchange rate on the date when fair value is determined. Exchange differences generated are listed as profits or losses for the current year. However, in case of changes in fair value recognized in other comprehensive incomes or losses, the exchange differences generated are listed as other comprehensive incomes or losses.

Foreign currency non-monetary items measured at historical cost are converted at the exchange rate on the date of transaction and will not be re-converted.

In preparing the consolidated financial statements, Leadtrend converts the assets and liabilities of the foreign operations (including the subsidiaries using, and the subsidiaries operating in the countries using, any currency that differs from the currency used by Leadtrend) to NT dollars at the exchange rate on the balance sheet date. Incomes and expenses are converted at the average exchange rate of the current year. Exchange differences generated are recognized as other comprehensive incomes or losses.

If the Company disposes all equity of a foreign operation, then the accumulate exchange differences relevant to the foreign operation will be reclassified to profits or losses.

(6) Inventories

Inventories include raw materials, work in process and finished goods. Inventories are measured by using the lower of cost or net realizable value method. Cost and net realizable value are compared base on each individual item, except the same type of inventories. Net realizable value refers to the amount of the selling price, estimated in normal circumstances, from which the estimated cost required to be put in prior to the completion and the estimated cost needed for the completion of sale are subtracted. Cost of inventories is calculated by use of the weighted average method.

(7) Property, Plant and Equipment

Property, plant and equipment are recognized at cost and measured subsequently based on the amount of cost less both accumulated depreciation and accumulated impairment loss.

The self-owned land is not depreciated while each important portion of other property, plant and equipment within service life is depreciated by use of the straight line method. The Company reviews the estimated service life, residual value and depreciation method at least at the end of every year and put off the impact on applicable changes in accounting estimates.

Upon derecognition of property, plant and equipment, the difference between the net proceeds on disposal and the carrying amount of the assets is recognized in profits or losses.

(8) Intangible Assets

A. Individual Acquisition

Intangible assets with limited service life acquired individually are originally measured at cost and measured subsequently based on the amount of cost less accumulated amortization and accumulated impairment loss. Intangible assets are amortized within service life by use of the straight line method. Estimated service life, residual value and amortization method are reviewed at least at the end of every year and the impact on applicable changes in accounting estimates is put off.

B. Derecognition

Upon derecognition of intangible assets, the difference between the net disposal proceeds and the carrying amount to such assets is recognized in profits or losses for the current year.

(9) Impairment of Property, Plant and Equipment, Right-of-use Assets and Intangible Assets

The Company evaluates on every balance sheet date whether there is any sign indicating that property, plant and equipment, right-of-use assets or intangible assets may be impaired. In case of any sign of impairment, a recoverable amount is estimated for the assets. If a recoverable amount cannot be estimated for any individual asset, the Company will estimate the recoverable amount of the cash generating unit ("CGU") of the concerned asset. In case those corporate assets are shared among CGUs on the basis of reasonable consensus, corporate assets shall be shared among individual CGUs. Otherwise, corporate assets shall be shared among the smallest CGU groups that are shared on the basis of reasonable consensus.

The recoverable amount is the higher of fair value less costs to sell and use value. If the recoverable amount of individual assets or CGUs is less than the carrying amount thereof, then the carrying amount of the assets or CGUs will be reduced to the recoverable amount, and the impairment loss will be recognized in profits or losses.

Upon subsequent reverse of impairment loss, the carrying amount of the assets or CGUs is increased to the revised recoverable amount. However, the increased carrying amount shall not exceed the book value (less amortization or depreciation) that would be determined if the impairment loss of the assets or CGUs had not been recognized in the previous year. Reverse of impairment loss is recognized in profits or losses.

(10) Financial Instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheet when the Company becomes a party to the contract concerning the instruments.

If financial assets or financial liabilities are not measured at fair value through profit or loss ("FVTPL"), the financial assets or financial liabilities, upon original recognition, are measured at fair value plus the transaction cost attributable directly to the obtained or issued financial assets or financial liabilities. The transaction cost attributable directly to the obtained or issued financial assets or financial liabilities at FVTPL is recognized as profits or losses immediately.

A. Financial Assets

Routine transactions of financial assets are recognized or derecognized on transaction date.

(A) Type of Measurement

Types of financial assets held by the Company are financial assets at FVTPL and financial assets measured at amortized cost.

a. Financial Assets at FVTPL

Financial assets at FVTPL include the financial assets that are enforced or designated to be measured at FVTPL. The financial assets enforced to be measured at FVTPL include the investments in equity instruments not designated to be measured at fair value through other comprehensive income ("FVTOCI"), and the investments in debt instruments not classified as those measured at amortized cost or measured at FVTOCI.

Financial assets at FVTPL are measured at fair value. The dividends and interest generated from the financial assets are recognized in other incomes and interest incomes, respectively. The incomes or losses generated from remeasurement are recognized in other incomes or losses. Refer to Note 26 for the method used to determine fair value.

b. Financial Assets at Amortized Cost

Financial assets invested by the Company are classified as the financial assets measured at amortized cost if both of the following conditions are satisfied simultaneously:

I. The financial assets are possessed in a specific business model, and the model is used to acquire contractual cash flows by possessing financial assets; and

II. Cash flows generated on the specific date as provided in contractual terms are completely used for payment of principals and the interest on the outstanding principals.

After being recognized originally, the financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, and refundable deposits) are measured at the amortized cost of the total carrying amount less any impairment loss determined by the effective interest method. Foreign exchange gains or losses are recognized in profits or losses.

Interest income is computed based on the effective interest rate multiplied by the total carrying amount of financial assets, except in either of the following situations:

I. For the credit-impaired financial assets purchased or established, interest income is computed based on the effective interest rate, after credit adjustment, multiplied by the amortized cost of the financial assets.

II. If the financial assets without credit impairment upon purchase or establishment become credit-impaired subsequently, then interest income is computed based on the effective interest rate multiplied by the amortized cost of the financial assets.

Cash equivalents refer to the time deposits that are highly liquid and may be transferred to a fixed amount of cash any time with minimal risk of changes in value to fulfill short-term cash commitments.

(B) Impairment of Financial Assets

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

Loss allowances for accounts receivable are recognized based on the expected credit loss for the duration of accounts receivable. As for other financial assets, the Company determines whether credit risk increases significantly after the original recognition of such other financial assets. If the risk does not increase significantly, then loss allowances for other financial assets are recognized based on the expected credit loss for 12 months. If the risk increases significantly, loss allowances are recognized based on the expected credit loss for the duration of such other financial assets.

The expected credit loss refers to the weighted average credit loss computed by weighting the risk of a breach of contract. The expected credit loss for 12 months means the expected credit loss incurred due to violation of a financial instrument within 12 months after the date of reporting. The expected credit loss for the duration means the expected credit loss incurred due to all violations of a financial instrument for the duration of the financial instrument.

The impairment loss of all financial assets is reflected by reducing the carrying amount of the financial assets through the allowance account.

(C) Derecognition of Financial Assets

The Company derecognizes financial assets only when their rights to cash flows from financial assets under a contract expire or when financial assets have been transferred and almost all risks of ownership of the assets and payments of the assets have been transferred to other enterprises.

Upon derecognition of the entire financial assets measured at amortized cost, the difference between the carrying amount of the financial assets and the received consideration is recognized in profits or losses.

B. Equity Instruments

The equity instruments issued by the Company are classified as equity based on the substance of contractual agreements and the definition of equity instruments.

The equity instruments issued by the Company are recognized based on the obtained consideration less the cost of direct issuance.

The equity instruments of Leadtrend taken back are recognized as and subtracted from equity. Their book value is calculated in a weighted average based on types of stocks. No purchase, sale, issuance or annulment of equity instruments of Leadtrend shall be recognized in profits or losses.

C. Financial Liabilities

(A) Subsequent Measurement

All financial liabilities of the Company are measured at amortized cost by use of the effective interest method.

(B) Derecognition of Financial Liabilities

With respect to derecognition of financial liabilities, the difference between the book value and the consideration paid (including any transferred non-cash assets or assumed liabilities) is recognized as profit or loss.

(11) Revenue Recognition

After identifying its obligations under a contract made with a customer, the Company amortizes the transaction price to each obligation and recognizes revenue upon fulfillment of each obligation.

<u>Sales Revenue</u>

Sales revenue comes from sale of integrated circuits. When integrated circuits products are shipped, the customer has already had the right to determine the price and use the products and had the primary responsibility for resale, and shall take the risk of obsolescence of the products, so the Company recognizes revenue and accounts receivables at that point of time.

For the goods delivered to be processed, revenue is not recognized upon such delivery as the ownership of processed goods is not transferred.

(12) Lease

Upon establishment of a contract, the Company evaluates whether the contract is (or includes) a lease.

A. The Company is a lessor.

If almost all of the risks and compensation pertaining to the ownership of the assets are required to be transferred to the lessee in accordance with the terms of the lease, then the lease is classified as a financed lease. All other leases are classified as operating leases.

Lease payments less lease incentives are recognized as incomes under the operating lease for the lease period on a straight-line basis.

B. The Company is a lessee.

For other leases, right-of-use assets and lease liabilities are recognized on the date of lease commencement, except for leases of low-value assets for which exemptions can be recognized and short-term leases, in which case, lease payments are recognize as expenses for the lease period on a straight-line basis.

Right-of-use assets are originally measured at cost (including the amount of originally measured lease liabilities). They are subsequently measured based on the cost less accumulated depreciation and accumulated impairment loss, and the remeasurement of lease liabilities is adjusted accordingly. Right-of-use assets are expressed separately in the consolidated balance sheet.

Right-of-use assets are depreciated on a straight-line basis between the date of lease commencement and the expiration of the service life or expiration of the lease period, whichever comes first.

Lease liabilities are originally measured based on the current value of lease payments. If a lease implies an interest rate that can be determined easily, then lease payments are discounted at the interest rate. If the interest rate cannot be determined easily, then the lessee's incremental borrowing rate of interest is used.

After that, lease liabilities are measured at amortized cost by use of the effective interest method, and interest expenses are amortized for the leasing. If the lease period, the amount expected to be paid to the extent of the guaranteed residual value, the evaluation of call options for subject assets, or the index or rate determined for lease payments changes so that future lease payments are varied accordingly, the Company would remeasure lease liabilities and adjust right-of-use assets accordingly. However, when the carrying amount of right-of-use assets is already reduced to zero, the rest of the remeasurement amount is recognized in profits or losses. Lease liabilities are expressed separately in the consolidated balance sheet.

(13) Government Subsidy

A government subsidy is recognized only when the Company is reasonably believed to comply with the conditions fixed to the government subsidy and will receive the subsidy.

A government subsidy relevant to benefits is recognized as other income on a systemic basis for the year in which the Company recognizes as expenses the costs to be covered by the subsidy.

(14) Loan Costs

Loan costs are recognized in profit or loss for the current year when they occur.

(15) Employee Benefits

A. Short-term Employee Benefits

Liabilities relevant to short-term employee benefits are measured based on non-discounted amounts expected to be paid to exchange for employees' service.

B. Post-employment Benefits

As for retirement pensions under the defined contribution plan, the pension amounts allocated for the period during which employees provide service are recognized as expenses.

Defined costs (including service costs, net interest and remeasurements) of the defined benefit plan are calculated by use of the projected unit credit method. Service costs (including service costs for the current year) and net interest on defined benefit liabilities (assets) are recognized as employee benefit expenses upon their occurrence. Remeasurements (including actuarial gains and losses, and return on plan asset less interest) are recognized in other comprehensive incomes or losses upon their occurrence and listed in retained earnings, and they will not be reclassified to profits or losses in a subsequent period.

Net defined benefit liabilities (assets) are allocated shortage (surplus) of the defined benefit plan. Net defined benefit assets shall not exceed the current value of the refund of contributions from the plan or the reduction in future contributions.

C. Other Long-term Employee Benefits

The accounting treatment of other long-term employee benefits is the same as that of the defined benefit plan. However, relevant remeasurements are recognized in profits or losses.

(16) Share-based Payment Arrangement

Employee stock options and employee restricted stock award shares granted by the Company to employees are recognized as expenses on a straight-line basis for the vesting period based on the fair value of equity instruments on the grant date and the expected best estimate, and the "capital reserve－employee stock options and other equity (unearned compensation)" is also adjusted simultaneously. If they are obtained immediately on the grant date, they are recognized as expenses on the grant date.

When the Company issues restricted stock award shares, other equity (employees' unearned compensation) is recognized on the grant date, and the "capital reserve－employee restricted stock award shares" is adjusted simultaneously. If such shares are issued for value and the amount of shares is agreed to be returned upon resignation of the employee, then relevant payables shall be recognized. For the grant date prior to October 10, 2024, the payables are continuously recognized based on the estimated amount after considering the turnover rate according to the Q&A issued by the FSC. If the employee who resigns within the vesting period is not required to return the dividends received already, then expenses are recognized upon announcement of the dividends to be distributed, and retain earnings and "capital reserve－employee restricted stock award shares" are adjusted simultaneously.

The Company amends the estimate of the obtained employee stock options and employee restricted stock award shares on each balance sheet date. If an originally estimated amount is amended, its effects are recognized as profits or losses so that the accumulated expenses reflect the amended estimate. The "capital reserve－employee stock option" and "capital reserve－employee restricted stock award shares" are also adjusted accordingly.

(17) Income Tax

The tax expense is the sum of current income tax and deferred income tax.

A. Current Income Tax

The Company determines its incomes (losses) for the current year in accordance with the regulations enacted in the applicable tax jurisdiction, and calculates income tax payable (refundable) based on such incomes (losses).

The income tax on undistributed earnings computed in accordance with the Income Tax Act of the Republic of China is recognized for the year when the resolution is adopted at the shareholders' meeting.

Adjustment made for the previous year's income tax payable is listed in current income tax.

B. Deferred Income Tax

Deferred income tax is computed based on temporary differences generated from the carrying amounts of assets and liabilities and the tax base used to compute taxable income.

Deferred income tax liabilities are generally recognized based on taxable temporary differences. Deferred income tax assets are recognized when there may probably be taxable incomes from which the tax credits generated from temporary differences and loss carry forwards can be subtracted.

Taxable temporary differences relevant to investments in subsidiaries are recognized as deferred income tax liabilities, except when the Company is able to control the point of reverse of temporary differences and the taxable temporary differences will not be reversed in the foreseeable future. Deductible temporary differences relevant to the investments are recognized as deferred income tax assets only to the extent of the foreseeable reverse expected in the future when there is taxable income sufficient to realize temporary differences.

The carrying amount of deferred income tax assets is reviewed again on every balance sheet date. For all or part of assets that taxable income may probably not be sufficient to recover, the carrying amount is reduced accordingly. Those that are not originally recognized as deferred income tax assets are also reviewed again on every balance sheet date. The carrying amount is increased when there may be any taxable income used to recover all or part of the assets.

Deferred income tax assets and liabilities are measured at the tax rate applicable to the year when liabilities are expected to be repaid or assets are expected to be realized. The interest rate refers to the interest rate determined by the tax law that is enacted or substantially enacted as of the balance sheet date. Deferred income tax liabilities and assets are measured to reflect the tax consequences generated in the way that the Company expects to recover or repay the carrying amount of its assets or liabilities as of the balance sheet date.

C. Current and Deferred Income Taxes

Current and deferred income taxes are recognized in profits or losses. However, the current and deferred income taxes relevant to the items recognized in other comprehensive incomes or losses or those included directly in equity are recognized in other comprehensive incomes or losses or included directly in equity respectively.

5. <u>Main Sources of Material Accounting Judgments, Estimates and Assumption Uncertainty</u>

For relevant information not accessible by the Company from other resources in applying accounting policies, the management must make relevant judgments, estimates and assumptions based on historical experience and other relevant factors. The actual result may probably differ from the estimate.

<u>Main Sources of Estimates and Assumption Uncertainty</u>

(1) Impairment of Financial Asset Estimates

Accounts receivable and liability instruments are estimated based on the assumptions of probability of default and loss-given default made by the Company. The Company considers historical experience, current market conditions and forward-looking information to make its assumptions and chooses input values for the impairment of estimates. If the actual cash flows in the future are less than those expected by the Company, a material impairment loss may occur.

(2) Impairment of Inventories

The net realizable value of inventories is an estimate of the difference obtained after the cost estimate to be spent until completion of the production and the cost estimate to be required for completion of the sale are subtracted from the selling price estimate. These estimates are evaluated based on current market conditions and historical sales of similar products. Changes in market conditions may affect these estimated results materially.

6. Cash and Cash Equivalents

	December 31, 2024	December 31, 2023
Foreign currency deposits	$ 61,635	$ 63,089
Checking accounts and demand deposits	88,356	51,337
Petty cash and cash on hand	548	619
Cash equivalents		
Time deposits	342,900	342,700
	$493,439	$457,745

The interest rate range of cash and cash equivalents as of the balance sheet date were as follows:

	December 31, 2024	December 31, 2023
Bank deposits	0.00%~3.30%	0.1%~4.05%

7. Financial Assets at Fair Value through Profit or Loss

	December 31, 2024	December 31, 2023
Financial Assets－Current		
Non-derivative financial assets at fair value compulsively through profit or loss		
－Fund beneficiary certificate	$103,975	$ 83,823

8. Financial Assets at Amortized Cost

	December 31, 2024	December 31, 2023
Non-current		
Domestic investment		
Bond investment－P12TSMC2A	$ 1,000	$ -

On December 20, 2024, the Company purchased Taiwan Semiconductor Manufacturing Co. Ltd.'s corporate bonds with a face value of $1,000 thousand. The corporate bonds expire on May 3, 2028, and the effective interest rate is 1.60%.

Information on the credit risk management and expected credit loss assessment related to financial assets at amortized cost is provided in Note 26.

9. Notes and Accounts Receivable

	December 31, 2024	December 31, 2023
Notes receivable		
Measured at amortized cost		
Total carrying amount	$ 49,713	$ 22,682
Accounts receivable		
Measured at amortized cost		
Total carrying amount	$187,112	$168,744

The Company's average credit period for merchandise sales is 30 to 60 days per month, and accounts receivable are interest-free. The Company will rate main customers by using other publicly available financial information and historical transaction records. The Company continues monitoring credit risk exposure, and the credit rating of the counterparty to each transaction. To reduce credit risk, the management of the Company designates a team to take charge of the decision of credit line, credit approval and other monitoring procedures to ensure that proper measures are taken to recover overdue receivables. In addition, the Company also reviews recoverable amounts of receivables on a case-by-case basis on the balance sheet date to ensure that a proper amount of impairment loss is allocated for unrecoverable receivables. Accordingly, the management of the Company believes that the Company's credit risk has significantly reduced.

The Company recognizes, based on expected credit loss for the duration, the allowance for losses on accounts receivable. The expected credit loss during the life period is calculated using the reserve matrix, which takes into account the customer's past default record and the current financial position and industrial economic situation, as well as the GDP forecast and industrial outlook. Thus the provision matrix is not used to distinguish customer bases, and the expected credit loss rates are determined based on the number of days that the accounts receivable are past due.

If evidence shows that the counterparty encounters serious financial difficulties and the Company is unable to reasonably expect a recoverable amount, then the Company will write off relevant accounts receivable directly; however, claiming activities will still continue. Amounts claimed and recovered are recognized in profits.

Please refer to the following table for the analysis on aging of accounts receivable as of the end of the reporting period.

Analysis on Aging of Accounts Receivable

	December 31, 2024	December 31, 2023
Not overdue, and not impaired	$187,112	$168,744

10. Inventories

	December 31, 2024	December 31, 2023
Finished goods	$102,301	$ 91,849
Work in process	430,721	351,405
Raw materials	176,078	164,501
	$709,100	$607,755

Cost of goods sold relevant to inventories was $901,475 thousand and $712,066 thousand respectively in 2024 and 2023.

Cost of goods sold included an inventory valuation loss $7,433 thousand and an obsolescence loss $14,609 thousand respectively in 2024 and 2023.

11. Subsidiary

(1) Subsidiaries Listed in the Consolidated Financial Statements

The subjects that the consolidated financial statements are prepared for are as follows:

Name of Investing company	Name of subsidiary	Nature of business	Shareholding December 31, 2024	Shareholding December 31, 2023	Remarks
Leadtrend	Leadtrend Technology (Samoa) Limited	Various investments	-	-	Note
	Leadtrend Technology (Shenzhen) Ltd. (Leadtrend Shenzhen)	Design and R&D of computer application software and system integration; wholesale of computer software, integrated circuits, semiconductor chips and related electronic parts and components; manufacturing of electronic components, manufacturing of integrated circuit chips and products, manufacturing of computer software, hardware and peripheral equipment	100%	100%	-

Note: Leadtrend Technology (Samoa) Limited was liquidated and deregistered in November 2023.

12. Property, Plant and Equipment

Self-used

	Land	Buildings	R&D equipment	Office equipment	Molding equipment	Lease improvements	Mask	Total
Cost								
Balance at January 1, 2024	$ 84,099	$ 341,041	$ 291,902	$ 36,144	$ 28,168	$ 24,732	$ 245,857	$ 1,051,943
Increase	-	-	2,289	3,792	5,219	3,721	29,347	44,368
Decrease	-	-	(2,284)	(398)	-	-	-	(2,682)
Translation adjustment	-	1,499	468	141	53	128	-	2,289
Balance at December 31, 2024	$ 84,099	$ 342,540	$ 292,375	$ 39,679	$ 33,440	$ 28,581	$ 275,204	$ 1,095,918
Accumulated depreciation								
Balance at January 1, 2024	$ -	$ 62,689	$ 213,209	$ 30,793	$ 25,474	$ 20,357	$ 221,459	$ 573,981
Increase	-	10,956	23,381	3,110	2,575	1,948	19,813	61,783
Decrease	-	-	(2,284)	(390)	-	-	-	(2,674)
Translation adjustment	-	139	309	122	11	128	-	709
Balance at December 31, 2024	$ -	$ 73,784	$ 234,615	$ 33,635	$ 28,060	$ 22,433	$ 241,272	$ 633,799
Net at December 31, 2024	$ 84,099	$ 268,756	$ 57,760	$ 6,044	$ 5,380	$ 6,148	$ 33,932	$ 462,119
Cost								
Balance at January 1, 2023	$ 86,200	$ 347,845	$ 284,890	$ 35,386	$ 26,082	$ 26,192	$ 275,274	$ 1,081,869
Increase	-	1,055	7,562	1,046	2,086	121	20,063	31,933
Decrease	(2,101)	(7,055)	(296)	(217)	-	(1,512)	(49,480)	(60,661)
Translation adjustment	-	(804)	(254)	(71)	-	(69)	-	1,198
Balance at December 31, 2023	$ 84,099	$ 341,041	$ 291,902	$ 36,144	$ 28,168	$ 24,732	$ 245,857	$ 1,051,943
Accumulated depreciation								
Balance at January 1, 2023	$ -	$ 52,752	$ 188,290	$ 27,388	$ 24,610	$ 20,266	$ 239,033	$ 552,339
Increase	-	10,984	25,375	3,672	864	1,306	31,907	74,108
Decrease	-	(983)	(296)	(203)	-	(1,146)	(49,481)	(52,109)
Translation adjustment	-	(64)	(160)	(64)	-	(69)	-	(357)
Balance at December 31, 2023	$ -	$ 62,689	$ 213,209	$ 30,793	$ 25,474	$ 20,357	$ 221,459	$ 573,981
Net at December 31, 2023	$ 84,099	$ 278,352	$ 78,693	$ 5,351	$ 2,694	$ 4,375	$ 24,398	$ 477,962

No impairment loss was recognized or reversed in 2024 and 2023.

Depreciation expenses are allocated on a straight-line basis based on the following service lives:

Buildings	10~50 years
R&D equipment	2 ~ 8 years
Office equipment	4 ~ 9 years
Molding equipment	3 years
Lease improvements	2 ~ 6 years
Mask	2 ~ 3 years

13. Lease Agreement

(1) Right-of-use Assets

	December 31, 2024	December 31, 2023
Carrying amount of right-of-use assets		
Buildings	$ 34,656	$ 20,748

	2024	2023
Added right-of-use assets	$ 26,681	$ 8,650
Depreciation expenses for right-of-use assets		
Buildings	$ 13,050	$ 13,127

(2) Lease Liabilities

	December 31, 2024	December 31, 2023
Carrying amount of lease liabilities		
Current	$ 12,989	$ 11,785
Non-current	$ 21,652	$ 9,529

The range of discount rates for lease liabilities is as follows:

	December 31, 2024	December 31, 2023
Building	1.96%~2.24%	1.96%~2.10%

(3) Important Lease Activities and Terms

The Company has leased several buildings for office use for 3~5 years. At the end of the lease term, the Company has no preferential right to purchase the leased land and buildings and agrees that the Company shall not sublease or transfer all or part of the leased property without the prior consent of the lessor.

(4) Other Lease Information

	2024	2023
Short-term lease expenses	$ 663	$ 1,709
Low-value asset lease expenses	$ 27	$ 54
Total cash (used in) leases	($ 14,740)	($ 14,986)

The Company chooses to recognize exemptions applicable to the office equipment that is in line with short-term leases and the office equipment rental that is in line with low-value asset leases, and does not recognize right-of-use assets or lease liabilities relevant to such leases.

14. Intangible Assets

	Computer software	Specialized technology	Right of Patent	Others	Total
Cost					
Balance at January 1, 2024	$ 102,517	$ 33,434	$ 8,383	$ 2,922	$ 147,256
Increase	1,332	1,254	-	-	2,586
Translation adjustment	2	-	-	-	2
Balance at December 31, 2024	$ 103,851	$ 34,688	$ 8,383	$ 2,922	$ 149,844
Accumulated amortization					
Balance at January 1, 2024	$ 95,961	$ 32,979	$ 4,262	$ 2,922	$ 136,124
Increase	4,145	1,605	838	-	6,588
Translation adjustment	2	-	-	-	2
Balance at December 31, 2024	$ 100,108	$ 34,584	$ 5,100	$ 2,922	$ 142,714
Net at December 31, 2024	$ 3,743	$ 104	$ 3,283	$ -	$ 7,130
Cost					
Balance at January 1, 2023	$ 100,162	$ 27,972	$ 8,383	$ 2,922	$ 139,439
Increase	2,357	5,462	-	-	7,819
Translation adjustment	(2)	-	-	-	(2)
Balance at December 31, 2023	$ 102,517	$ 33,434	$ 8,383	$ 2,922	$ 147,256
Accumulated amortization					
Balance at January 1, 2023	$ 92,279	$ 26,984	$ 3,425	$ 2,922	$ 125,610
Increase	3,684	5,995	837	-	10,516
Translation adjustment	(2)	-	-	-	(2)
Balance at December 31, 2023	$ 95,961	$ 32,979	$ 4,262	$ 2,922	$ 136,124
Net at December 31, 2023	$ 6,556	$ 455	$ 4,121	$ -	$ 11,132

Amortization expenses are allocated for the aforementioned intangible assets on a straight-line basis based on the following service lives:

Computer software	3~6 years
Specialized technology	5 years
Right of patent	10 years
Others	3~5 years

15. Other Assets

	December 31, 2024	December 31, 2023
Current		
Temporary payments	$ 3,803	$ 1,408
Prepayment for purchases	2,691	4,396
Income tax refund receivable	1,321	813
Tax overpaid retained for offsetting the future tax payable	-	4,522
Others	4,232	8,071
	$ 12,047	$ 19,210
Non-current		
Refundable deposits	$ 3,663	$ 3,483
Prepayment for patent right	2,567	-
Prepayment for equipment	1,854	4,264
	$ 8,084	$ 7,747

16. Loan

Long-term Loans

	December 31, 2024	December 31, 2023
Unsecured borrowing		
Bank loan (NOTE 1)	$ 35,000	$ -
Less: portion due within one year.	(10,208)	-
Long-term Loans	$ 24,792	$ -

(1) This bank loan is a government preferential interest rate loan for the "Ministry of Economic Affairs' project to assist small and medium-sized enterprises in the low-carbon and smart transformation and development and management of factories and specific factory infrastructure optimization projects". The subsidy period is 1 year and will be continued before May 2027. At maturity, the interest rate is 2.22% bank borrowing rate minus 1.72% government subsidy interest rate, so the borrowing interest rate is 0.5%.

17. Other Current Liabilities

	December 31, 2024	December 31, 2023
Bonuses payable	$ 46,946	$ 38,349
Unpaid leave benefits payable	6,442	5,687
Insurance premium payable	3,864	3,853
Equipment payment payable	3,599	-
Labor expenses payable	4,073	3,296
Others	14,159	24,074
	$ 79,083	$ 75,259

18. Post-employment Benefit Plan

(1) Defined Contribution Plan

The retirement pension system provided in the Labor Pension Act, which is applicable to Leadtrend, refers to the defined contribution plan managed by the government. The 6% of the monthly wages of an employee is allocated to the specific account of the individual with Bureau of Labor Insurance. In addition, Leadtrend Shenzhen pays basic pension insurance premiums for the government's management fund program. The premiums are recognized as expenses for the current year when being allocated.

(2) Defined Welfare Plan

The retirement pension system adopted by Leadtrend in accordance with the Labor Standards Act of the Republic of China is the defined benefit plan managed by the government. The retirement pension to an employee is computed based on the employee's service time and average wage of the 6 months immediately before the date of retirement approval. Leadtrend allocates the 2% of the monthly wages of an employee to the employee's retirement funds and transfers it to Supervisory Committee of Business Entities' Labor Retirement Reserve. Then the committee deposits it to the specific account with Bank of Taiwan in the name of the committee. If the balance of the specific account at the end of a fiscal year is estimated not to be enough to be paid to the employees who will meet the requirements of retirement in the next year, the difference will be allocated in full by the end of March in the next year. This special account is entrusted by the Labor Fund Management Bureau of the Ministry of Labor, and the Company has no right to affect the investment management strategy.

Leadtrend reached an agreement with employees in August 2023 to settle the years of service accumulated in the old system and settle pension amounts in accordance with relevant regulations. Such settlement was approved by the competent authority. Leadtrend was under no obligation to pay either the balance recovered from the specific pension accounts or the carrying amount of net defined benefit liability. The balance and the carrying amount were transferred to income. Such income, totaling $15,045 thousand, was listed as other income. Please refer to Note 22(B) Other Income.

19. Equity

(1) Stock Capital

Common Shares

	December 31, 2024	December 31, 2023
Authorized number of shares (In thousand shares)	200,000	200,000
Authorized stock capital	$ 2,000,000	$ 2,000,000
Number of issued and paid-in shares (In thousand shares)	60,442	58,918
Issued stock capital	$ 604,421	$ 589,178

Common shares are issued with par value $10. A shareholder is entitled to one vote for each share the shareholder holds, and has the right to receive dividends. The stock capital in authorized stock capital reserved for issuance of employee stock options was 7,800 thousand shares.

(2) Capital reserve

	December 31, 2024	December 31, 2023
Used to cover losses, distribute cash or allocate capital stock (1.)		
Share premium (including exercised or lapsed employee stock options)	$250,212	$254,672
Donations received from shareholders (2)	84,732	84,732
Used to make good of losses only		
Others	131	125
Not used for any purpose		
Restricted stock for employees	61,218	50,306
	$396,293	$389,835

A. Such capital reserve may be used to make good of loss, and may also be used to distribute cash or expand stock capital when the Company does not have a loss; however, the amount used to expend stock capital is limited to a certain percentage of the paid-in capital.

B. Donations in cash from Delaware Asia Pacific Investment Company.

(3) Retained Earnings and Dividend Policies

According to the earning distribution policy provided by Leadtrend's articles of incorporation, net profits after tax at the final settlement of each fiscal year, if any, shall be allocated, in the following order, for:

A. Making good of accumulated loss (including adjustment of the amount of undistributed earnings);

B. Setting aside 10% as legal reserve; however, no legal reserve shall be allocated if the total legal reserve has reached the amount of the paid-in capital of Leadtrend;

C. Allocating or reversing special reserve in accordance with statutes or as required by the competent authority.

D. The rest of profits together with the undistributed earnings at the beginning of the year (including the adjusted amount of undistributed earnings), for which the board of directors shall prepare a proposal of earning distribution, to be distributed by means of issuance of new shares, are distributed after being resolved at the shareholders' meeting.

In case that Leadtrend distributes the whole or part of dividends and bonuses or legal reserve and capital reserve in cash, the distribution shall be adopted only when more than two-thirds of directors are present at the board meeting and more than a half of the directors present approve, and shall be reported at the shareholders' meeting.

For the policy of the allocation of remunerations to employees and directors as stated in Leadtrend's articles of incorporation, refer to Note 22(7) Remunerations to Employees and Directors.

Dividends are distributed by Leadtrend based on the status of earnings for the current year, including distributable earnings, capital reserve and other sources distributable in accordance with laws. The percentage of total distributions shall not be less than 30% of the profit after tax for the current year. Cash dividends distributed every year shall not be less than 10% of the total of the cash dividends and stock dividends distributed for the current year.

Legal reserve shall be allocated until the balance thereof reaches the total paid-in capital of the Company. Legal reserve may be used to make good of loss. When the Company has no loss, the portion of legal reserve in excess of 25% of paid-in capital can be used to expand stock capital or be distributed in cash.

Leadtrend's earnings distribution plans for 2023 and 2022 are as follows:

	2023	2022
Legal reserve allocated	$ 2,887	$ 15,491
Special reserve allocated	$ 786	$ -
Cash dividends	$ -	$ 31,286
Stock dividends	$ 11,638	$ 17,065
Cash dividends per share (NTD)	$ -	$ 0.550
Stock dividends per share (NTD)	$ 0.200	$ 0.300

In addition, on April 11, 2024, the board of directors of Leadtrend decided to distribute cash dividends of $23,275 thousand ($0.4 per share) from the capital reserves of 2023. Besides the cash dividends, the remaining surplus distribution items were also decided at the regular meeting of shareholders on May 28, 2024.

The board of directors of Leadtrend resolved on May 2, 2023 that the capital reserve of 2022 should be used to distribute cash dividends $19,909 thousand ($0.350 per share). In addition to cash dividends, other earning distribution items were already resolved at the general meeting of shareholders held on June 13, 2023.

(4) Other Components of Equity

A. Exchange differences on translation of foreign operations' financial statements

	2024	2023
Balance at January 1	($ 786)	$ 5,602
Current year		
Difference in conversion of foreign operators	10,757	(5,249)
Reclassification adjustment		
Disposal of the share of subsidiaries accounted for using equity method	-	(1,139)
Other comprehensive incomes (losses) for the current year	10,757	(6,388)
Balance at December 31	$ 9,971	($ 786)

Exchange differences arising on translating the net assets of foreign operations in the functional currency to those in the presentation currency used by the Company (i.e. NTD) are recognized directly as "exchange differences on translation of financial statements of foreign operations" under other comprehensive incomes. The previously accumulated exchange differences on translation of financial statements of foreign operations are reclassified as profits or losses upon disposal of the foreign operations.

B. Employees' Unearned Compensation

Issuance of restricted stock award shares was resolved at the shareholders' meeting of Leadtrend held on May 28, 2024, June 13, 2023, June 9, 2022 and June 23, 2020 respectively. For relevant explanation, please refer to Note 20.

	2024	2023
Balance at January 1	($ 35,803)	($ 31,945)
Granted for the current year	(37,128)	(27,930)
Recognized share-based payment expenses	23,454	18,710
Revoked and cancelled in the year	3,796	5,362
Balance at December 31	($ 45,681)	($ 35,803)

20. Share-based Payment

Employee Restricted Stock Award Shares

Information relevant to the employee restricted stock award shares issued by Leadtrend is as follows:

Date of approval by the shareholders' meeting	Number of shares expected to be issued (In thousand shares)	Number of shares resolved by the board of directors (In thousand shares)	Grant date	Base date for capital increase	Number of actually issued shares (In thousand shares)	Fair value on the grant date
2020.06.23	1,200	900	109.09.11	109.11.06	900	34.35
2020.06.23	1,200	300	110.08.03	110.08.03	300	122
2022.06.09	420	420	111.10.07	111.10.12	420	47.1
2023.06.13	420	420	112.10.06	112.10.11	420	66.5
2024.05.28	420	420	113.10.08	113.10.09	420	88.4

Issuance of restricted stock award shares in a total amount of $12,000 thousand was resolved at the shareholders' meeting of Leadtrend on June 23, 2020. A total of 1,200 thousand shares were issued. Issuance regulations are summarized as follows:

Employees to whom restricted stock award shares have been allocated shall satisfy the Personal Performance requirement by obtaining the result of "Satisfactory" or above in the latest personal performance assessment prior to the vesting date. If the employees still work at Leadtrend upon expiration of any of the following vesting periods, they will receive award shares at the granting ratio as scheduled below:

Vesting period	Granting ratio
From the grant date to Oct. 15 of the 1st year following the grant date	1/6
From the grant date to Apr. 15 of the 2nd year following the grant date	1/6
From the grant date to Oct. 15 of the 2nd year following the grant date	1/6
From the grant date to Apr. 15 of the 3rd year following the grant date	1/6
From the grant date to Oct. 15 of the 3rd year following the grant date	1/6
From the grant date to Apr. 15 of the 4th year following the grant date	1/6

Measures Taken for Employees Failing to Satisfy the Vesting Conditions:

(1) If the employees resigns, are dismissed or laid off, retire, die, take leave without pay or are transferred to any affiliated enterprise after the grant date and prior to the expiration of the vesting period, Leadtrend will take back, without payment, the award shares that have been granted to the employees (for the current year) and have not vested in the employees.

(2) If the employees fail to meet the required personal performance immediately prior to the vesting date, Leadtrend will take back, without payment, the award shares that have not vested in the employees that time.

(3) Leadtrend will give to the employees, without payment, the dividends allocated based on the award shares prior to the expiration of the vesting period.

(4) If the employees terminate or cancel, before their satisfaction of the vesting conditions, the authorization given to Leadtrend in violation of the rule saying that the trust contract or other similar agreements shall be negotiated, signed, revised, extended, cancelled or terminated, and the trust property shall be delivered, used and disposed, by Leadtrend on behalf of the employees and the stock trust agency in the period for which restricted stock award shares are trusted, Leadtrend shall take back, without payment, the award shares from the employees.

The restricted stock award shares taken back by Leadtrend without payment will be revoked by Leadtrend.

Shares granted under the aforementioned stock option plan are summarized as follows:

	Employee restricted stock award shares for 2020-1 Unit (Thousand)	Employee restricted stock award shares for 2020-2 Unit (Thousand)
2024		
Outstanding at the beginning of the year	132.0	105.0
Vested for the current year	(132.0)	(68.5)
Recovered for the year	-	(3.0)
Outstanding at the end of the year	-	33.5
Granted weighted average fair value	$ 34.35	$ 122
2023		
Outstanding at the beginning of the year	424.5	192.5
Vested for the current year	(266.5)	(69.5)
Recovered for the year	(26.0)	(18.0)
Outstanding at the end of the year	132.0	105.0
Granted weighted average fair value	$ 34.35	$ 122

Issuance of restricted stock award shares in a total amount of $4,200 thousand was resolved at the shareholders' meeting of Leadtrend on June 9, 2022. A total of 420 thousand shares were issued. Issuance regulations are summarized as follows:

Employees to whom restricted stock award shares have been allocated shall satisfy the Personal Performance requirement by obtaining the result of "Satisfactory" (i.e. a performance assessment scale score ≧5.8) or above in the latest personal performance assessment prior to the vesting date. If the employees still work at Leadtrend upon expiration of any of the following vesting periods, they will receive award shares at the granting ratio as scheduled below:

Vesting period	Granting ratio
From the grant date to Oct. 11 of the 1st year following the grant date	1/6
From the grant date to Apr. 11 of the 2nd year following the grant date	1/6
From the grant date to Oct. 11 of the 2nd year following the grant date	1/6
From the grant date to Apr. 11 of the 3rd year following the grant date	1/6
From the grant date to Oct. 11 of the 3rd year following the grant date	1/6
From the grant date to Apr. 11 of the 4th year following the grant date	1/6

Measures Taken for Employees Failing to Satisfy the Vesting Conditions:

(1) If the employees resigns, are dismissed or laid off, retire, die, take leave without pay or are transferred to any affiliated enterprise after the grant date and prior to the expiration of the vesting period, Leadtrend will take back, without payment, the award shares that have been granted to the employees (for the current year) and have not vested in the employees.

(2) If the employees fail to meet the required personal performance immediately prior to the vesting date, Leadtrend will take back, without payment, the award shares that have not vested in the employees that time.

(3) The employees are not entitled to any stocks, cash dividends or capital reserve allocated before the expiration of the vesting period.

(4) If the employees terminate or cancel, before their satisfaction of the vesting conditions, the authorization given to Leadtrend in violation of the rule saying that the trust contract or other similar agreements shall be negotiated, signed, revised, extended, cancelled or terminated, and the trust property shall be delivered, used and disposed, by Leadtrend on behalf of the employees and the stock trust agency in the period for which restricted stock award shares are trusted, Leadtrend shall take back, without payment, the award shares from the employees.

The restricted stock award shares taken back by Leadtrend without payment will be revoked by Leadtrend.

Shares granted under the aforementioned stock option plan are summarized as follows:

	Employee restricted stock award shares for 2022
	Unit (Thousand)
2024	
Outstanding at the beginning of the year	292.5
Vested for the current year	(117.0)
Recovered for the year	(4.5)
Outstanding at the end of the year	171.0
Granted weighted average fair value	$ 47.1
2023	
Outstanding at the beginning of the year	420.0
Vested for the current year	(61.5)
Recovered for the year	(66.0)
Outstanding at the end of the year	292.5
Granted weighted average fair value	$ 47.1

Issuance of restricted stock award shares in a total amount of $4,200 thousand was resolved at the shareholders' meeting of Leadtrend on June 13, 2023. A total of 420 thousand shares were issued. Issuance regulations are summarized as follows:

Employees to whom restricted stock award shares have been allocated shall satisfy the Personal Performance requirement by obtaining the result of "Satisfactory" (i.e. a performance assessment scale score ≧5.8) or above in the latest personal performance assessment prior to the vesting date. If the employees still work at Leadtrend upon expiration of any of the following vesting periods, they will receive award shares at the granting ratio as scheduled below:

Vesting period	Granting ratio
From the grant date to Oct. 11 of the 1st year following the grant date	1/6
From the grant date to Apr. 11 of the 2nd year following the grant date	1/6
From the grant date to Oct. 11 of the 2nd year following the grant date	1/6
From the grant date to Apr. 11 of the 3rd year following the grant date	1/6
From the grant date to Oct. 11 of the 3rd year following the grant date	1/6
From the grant date to Apr. 11 of the 4th year following the grant date	1/6

Measures Taken for Employees Failing to Satisfy the Vesting Conditions:

(1) If the employees resigns, are dismissed or laid off, retire, die, take leave without pay or are transferred to any affiliated enterprise after the grant date and prior to the expiration of the vesting period, Leadtrend will take back, without payment, the award shares that have been granted to the employees (for the current year) and have not vested in the employees.

(2) If the employees fail to meet the required personal performance immediately prior to the vesting date, Leadtrend will take back, without payment, the award shares that have not vested in the employees that time.

(3) The employees are not entitled to any stocks, cash dividends or capital reserve allocated before the expiration of the vesting period.

(4) If the employees terminate or cancel, before their satisfaction of the vesting conditions, the authorization given to Leadtrend in violation of the rule saying that the trust contract or other similar agreements shall be negotiated, signed, revised, extended, cancelled or terminated, and the trust property shall be delivered, used and disposed, by Leadtrend on behalf of the employees and the stock trust agency in the period for which restricted stock award shares are trusted, Leadtrend shall take back, without payment, the award shares from the employees.

The restricted stock award shares taken back by Leadtrend without payment will be revoked by Leadtrend.

Shares granted under the aforementioned stock option plan are summarized as follows:

	Employee restricted stock award shares for 2023
	Unit (Thousand)
2024	
Outstanding at the beginning of the year	420.0
Vested for the current year	(63.5)
Recovered for the year	(39.0)
Outstanding at the end of the year	317.5
Granted weighted average fair value	$ 66.5
2023	
Outstanding at the beginning of the year	-
Granted for the current year	420
Outstanding at the end of the year	420
Granted weighted average fair value	$ 66.5

Issuance of restricted stock award shares in a total amount of $4,200 thousand was resolved at the shareholders' meeting of Leadtrend on May 28, 2024. A total of 420 thousand shares were issued. Issuance regulations are summarized as follows:

Employees to whom restricted stock award shares have been allocated shall satisfy the Personal Performance requirement by obtaining the result of "Satisfactory" (i.e. a performance assessment scale score ≧5.8) or above in the latest personal performance assessment prior to the vesting date. If the employees still work at Leadtrend upon expiration of any of the following vesting periods, they will receive award shares at the granting ratio as scheduled below:

Vesting period	Granting ratio
From the grant date to Oct. 11 of the 1st year following the grant date	1/6
From the grant date to Apr. 11 of the 2nd year following the grant date	1/6
From the grant date to Oct. 11 of the 2nd year following the grant date	1/6
From the grant date to Apr. 11 of the 3rd year following the grant date	1/6
From the grant date to Oct. 11 of the 3rd year following the grant date	1/6
From the grant date to Apr. 11 of the 4th year following the grant date	1/6

Measures Taken for Employees Failing to Satisfy the Vesting Conditions:

(1) If the employees resigns, are dismissed or laid off, retire, die, take leave without pay or are transferred to any affiliated enterprise after the grant date and prior to the expiration of the vesting period, Leadtrend will take back, without payment, the award shares that have been granted to the employees and have not vested in the employees.

(2) If the employees fail to meet the required personal performance immediately prior to the vesting date, Leadtrend will take back, without payment, the award shares that have not vested in the employees that time.

(3) The employees are not entitled to any stocks, cash dividends or capital reserve allocated before the expiration of the vesting period.

(4) If the employees terminate or cancel, before their satisfaction of the vesting conditions, the authorization given to Leadtrend in violation of the rule saying that the trust contract or other similar agreements shall be negotiated, signed, revised, extended, cancelled or terminated, and the trust property shall be delivered, used and disposed, by Leadtrend on behalf of the employees and the stock trust agency in the period for which restricted stock award shares are trusted, Leadtrend shall take back, without payment, the award shares from the employees.

The restricted stock award shares taken back by Leadtrend without payment will be revoked by Leadtrend.

Shares granted under the aforementioned stock option plan are summarized as follows:

	Employee restricted stock award shares for 2024
	Unit (Thousand)
2024	
Outstanding at the beginning of the year	-
Granted for the current year	420.0
Recovered for the year	(6.0)
Outstanding at the end of the year	414.0
Granted weighted average fair value	$ 88.4

Due to resignation of employees, 52.5 thousand and 100 thousand restricted stock award shares were recovered in 2024 and 2023 respectively, and there were 10.5 thousand and 17.5 thousand shares among such recovered shares to be revoked.

The compensation cost recognized for restricted stock award shares in 2024 and 2023 was $23,454 thousand and $18,710 thousand respectively.

21. Operating Revenue

	2024	2023
Revenue from contracts with customers		
Integrated circuits	$ 1,453,906	$ 1,141,594

(1) Contract Balance

	December 31, 2024	December 31, 2023	January 1, 2023
Notes and accounts receivable (Note 9)	$ 236,825	$ 191,426	$ 169,644

(2) Itemized Revenue from Contracts with Customers

Itemized by Areas

	2024	2023
Taiwan (where Leadtrend is located)	$ 743,327	$ 598,364
Mainland China	707,901	534,307
Korea	2,678	2,187
Other countries	-	6,736
	$ 1,453,906	$ 1,141,594

22. Net Profit of Operations

(1) Interest Income

	2024	2023
Bank deposits	$ 6,552	$ 4,017
Commercial paper	92	25
Deposit interest	40	36
Others	-	129
	$ 6,684	$ 4,207

(2) Other Incomes

	2024	2023
Lease income		
Other operating leases	$ 1,755	$ 2,188
Government subsidy income	703	3,604
Others (Note)	2,689	16,980
	$ 5,147	$ 22,772

Note: Mainly consisting of pension payment income.

(3) Other Gains and Losses

	2024	2023
Gains (losses) arising from financial assets		
Net profit of financial assets and liabilities at FVTPL	$ 1,546	$ 1,102
Net gain (loss) on foreign exchange	13,663	(175)
Gains on disposal of subsidiaries	-	1,139
(Losses) gains on disposal of property, plant and equipment	(8)	1,843
	$ 15,201	$ 3,909

(4) Finance Cost

	2024	2023
Interest on lease liabilities	$ 395	$ 460
Interest expense on Bank loans	160	-
Other interest expenses	2	1
	$ 557	$ 461

(5) Depreciation and Amortization

	2024	2023
Depreciation expenses by functions:		
Operating costs	$ 18,579	$ 18,501
Operating expenses	56,254	68,734
	$ 74,833	$ 87,235
Amortization expenses by functions:		
Operating costs	$ 1,012	$ 1,177
Operating expenses	5,576	9,339
	$ 6,588	$ 10,516

(6) Employee Benefit Expenses

	2024	2023
Post-employment benefits		
Defined contribution plan	$ 10,635	$ 10,922
Defined benefit plan (Note 18)	-	216
	10,635	11,138
Share-based payment (Note 20)		
Equity settlement	23,454	18,710
Other employee benefits	343,746	280,196
Total employee benefit expenses	$377,835	$310,044
By functions:		
Operating costs	$ 54,698	$ 46,965
Operating expenses	323,137	263,079
	$377,835	$310,044

(7) Remunerations to Employees and Directors

Leadtrend allocated employees' remuneration and directors' remuneration, from its profit computed before deduction of employees' remuneration and directors' remuneration, at a rate no less than 5% and at a rate no more than 2% respectively in accordance with the articles of incorporation. The remunerations to employees and directors estimated for the years 2024 and 2023 were resolved at the board meeting on February 20, 2025 and February 29, 2024 respectively as follows:

Estimated Percentage

	2024	2023
Remuneration to employees	16%	17%
Remuneration to directors	1%	2%

Amount

	2024		2023	
	Cash	Stock	Cash	Stock
Remuneration to employees	$ 21,147	$ -	$ 5,197	$ -
Remuneration to directors	1,895	-	489	-

If any amount is changed after the date when the annual consolidated financial report is announced, then such change is treated as a change in accounting estimate and entered into the account for the following year after adjustment.

There is no difference between the amount of the employees' remuneration and directors' remuneration distributed actually for the years 2023 and 2022 and the corresponding amount recognized in the consolidated financial statements of the years 2023 and 2022.

For information of the remunerations to employees and directors resolved by the board of directors of Leadtrend, please check at the market observatory post system of Taiwan Stock Exchange.

(8) Foreign Exchange Gain (Loss)

	2024	2023
Total foreign exchange gains	$ 18,480	$ 14,918
Total foreign exchange losses	(4,817)	(15,093)
Net gain (loss)	$ 13,663	($ 175)

23. Income Tax

(1) Income Tax Recognized in Profit or Loss

The tax benefits mainly comprises the items listed as follows:

	2024	2023
Current income tax		
Incurred for the current year	$ 7,879	$ 1,321
Undistributed surplus earnings additional	678	-
Adjusted for the previous year	(9,894)	(5,013)
	(1,337)	(3,692)
Deferred income tax		
Incurred for the current year	876	(450)
Tax benefits recognized in profit or loss	($ 461)	($ 4,142)

The accounting income and the tax (benefits) expenses are reconciled as follows:

	2024	2023
Net profit before tax of continuing operations	$111,428	$ 24,722
Tax expense computed based on the net profit before tax at the legal tax rate	$ 24,611	$ 4,944
Permanent difference	(21,347)	(7,616)
Effect of temporary difference	5,491	3,543
Undistributed surplus earnings additional	678	-
Current adjustment of the tax expense of the previous year	(9,894)	(5,013)
Tax benefits recognized in profit or loss	($ 461)	($ 4,142)

The tax rate applicable to Leadtrend in accordance with the Income Tax Act of the Republic of China is 20%. The applicable tax rate for undistributed earnings is 5%. As the tax rate for high-tech enterprises is applicable to subsidiaries in Mainland China, the applicable tax rate is 15%.

(2) Current Tax Liabilities

	December 31, 2024	December 31, 2023
Current tax liabilities		
Income tax payable	$ 8,682	$ 10,844

(3) Deferred Tax Assets and Liabilities

Changes in deferred tax assets and liabilities are as follows:

2024

Deferred tax assets	Balance, Beginning of the Year	Changes for the year	Balance, Ending of the year
Temporary difference	$ 541	($ 541)	$ -

Deferred tax liabilities	Balance, Beginning of the Year	Changes for the year	Balance, Ending of the year
Temporary difference	$ -	$ 335	$ 335

2023

Deferred tax assets	Balance, Beginning of the Year	Changes for the year	Balance, Ending of the year
Temporary difference	$ 91	$ 450	$ 541

(4) Income Tax Assessment

Leadtrend's profit-seeking business income tax declaration cases as of 2022 have been approved by the tax authority.

24. Earnings Per Share

Unit: NTD per share

	2024	2023
Basic earnings per share	$ 1.89	$ 0.49
Diluted earnings per share	$ 1.86	$ 0.48

The effect of stock grants was retroactively adjusted already in calculating earnings per share. The base date for stock grants was determined to be July 17, 2024. Due to retroactive adjustment, changes in basic and diluted earnings per share for 2023 are as follows:

Unit: NTD per share

	Before retroactive adjustment	After retroactive adjustment
Basic earnings per share	$ 0.50	$ 0.49
Diluted earnings per share	$ 0.49	$ 0.48

Both the net profit and the weighted average number of common shares outstanding that were used to calculate earnings per share are disclosed as follows:

Net profit of the year

	2024	2023
Net profit used to calculate basic and diluted earnings per share	$111,889	$ 28,864

Number of Shares Unit: In thousand shares

	2024	2023
Weighted average number of common shares outstanding used to calculate basic earnings per share	59,309	58,858
Impact of potential common shares with dilutive effect:		
Employee restricted stock award shares	452	718
Remuneration to employees	322	188
Weighted average number of common shares outstanding used to calculate diluted earnings per share	60,083	59,764

If Leadtrend chooses to distribute employees' remuneration in stock or cash, then for calculation of diluted earnings per share, employees' remuneration is assumed to be distributed in stock and the weighted average number of common shares outstanding is included when potential common shares have dilutive effect. When calculating diluted earnings per share before the number of shares distributed as employees' remuneration is resolved at the shareholders' meeting in the next year, the Company will continue to consider dilutive effect of the potential common shares.

25. Capital Risk Management

The Company conducts capital management to ensure the maximum of return on equity on the premise that the Company operates on an ongoing basis. No significant changes in the overall strategy of the Company.

The capital structure of the Company comprises stock capital, capital reserve, retained earnings and other components of equity.

The Company is not required to meet other external capital requirements.

26. Financial Instruments

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

Except for the items listed in the table below, the management of the Company believes that the carrying amounts of the financial assets and financial liabilities not measured at fair value are close to their fair value:

December 31, 2024

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at amortized cost					
- Domestic corporate bonds	$ 1,000	$ -	$ 994	$ -	$ 994

The fair value measurement of Level 2 mentioned above is based on the quotation of the Taipei Exchange.

(2) Information of Fair Value — Financial Instruments Measured at Fair Value on a Repeatable Basis

A. Hierarchy of Fair Value

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Fund beneficiary certificate	$ 103,975	$ -	$ -	$ 103,975

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Fund beneficiary certificate	$ 83,823	$ -	$ -	$ 83,823

There was no transfer between level 1 and level 2 fair value measurements in 2024 and 2023.

(3) Types of Financial Instruments

	December 31, 2024	December 31, 2023
Financial assets		
Measured at FVTPL		
Measured compulsorily at FVTPL	$103,975	$ 83,823
Financial assets at amortized cost		
Cash and cash equivalents	493,439	457,745
Notes and accounts receivable	236,825	191,426
Non-current financial assets at amortized cost	1,000	-
Refundable deposits	3,663	3,483
Financial liabilities		
Measured at amortized cost		
Accounts payable	108,662	107,636
Long-term loans (including due within one year)	35,000	-
Guarantee deposits received	13,138	860

(4) Purpose and Policy of Financial Risk Management

Main financial instruments of the Company include notes and accounts receivable, refundable deposits, accounts payable, loans and lease liabilities. The financial risk management objective of the Company is to manage the exchange rate risk, interest rate risk, credit risk and liquidity risk relevant to operating activities. For reducing relevant financial risks, the Company is committed to identifying, evaluating and avoiding market uncertainties to reduce the potential negative impact of market changes on the financial performance of the Company.

Important financial activities of the Company are reviewed by the board of directors pursuant to applicable regulations and internal control systems. During the implementation of the financial plan, the Company shall comply with applicable financial operating procedures for overall financial risk management and division of powers and responsibilities.

A. Market Risk

Main financial risks assumed by the Company for its operating activities are exchange rate risk (as stated in (A) below) and interest rate risk (as stated in (B) below).

The Company does not change the methods that it has adopted to manage and measure risk exposure with respect to market risk for financial instruments.

(A) Currency Risk

Part of cash used or generated by the Company is in foreign currencies, so the effect of natural hedge exists. The Company manages exchange rate risk just for the purpose of hedging, not for profit.

The exchange rate risk management strategy is established to review net positions of various currency assets and liabilities, and conduct risk management on net positions.

For carrying amounts of monetary assets and monetary liabilities of the Company in non-functional currencies on the balance sheet date (including the monetary items in non-functional currencies written off already in the consolidated financial statements), please refer to Note 29.

Net investments made by foreign operations of the Company are strategic investments; therefore, the Company does not hedge investment risk.

Sensitivity Analysis

The Company is mainly impacted by fluctuation of USD and CNY exchange rates.

The table below shows the Company's sensitivity analysis for the situations when the exchange rate of the functional currency to each foreign currency increases or decreases by 5%. Sensitivity analysis considers outstanding foreign currency monetary items, and the conversion made at the end of the period is adjusted by 5% exchange rate fluctuation. The scope of sensitivity analysis includes cash and cash equivalents, accounts receivable, other receivables, accounts payable and other payables. The positive number in the table below shows the amount increasing in the pretax net profit when the functional currency against each foreign currency depreciates by 5%. If the functional currency against each foreign currency appreciates by 5%, the impact on the pretax net profit will be a negative of the same amount.

	Effect of USD		Effect of CNY	
	2024	2023	2024	2023
Profit (loss) before tax	$ 3,950	$ 4,035	$ 4,502	$ 2,503

Effects mainly derived from the receivables and payables in USD and CNY which were still outstanding on the balance sheet date and of which the cash flows were not hedged by the Company.

The Company's sensitivity to the USD exchange rate decreased for the current period. It was mostly because the balance of accounts receivable in USD decreased so that net USD assets decreased at the end of the year. Increase in sensitivity to the CNY exchange rate was mostly because accounts receivable in CYN increased so that net CNY assets increased at the end of the year.

(B) Interest Rate Risk

As consolidated entities of the Company possess fixed rate and floating rate assets, interest rate risk exposure is therefore incurred.

The carrying mounts of financial assets of the Company exposed to interest rate risk on the balance sheet date are as follows:

	December 31, 2024	December 31, 2023
With fair value interest rate risk		
－Financial assets	$342,900	$342,700
－Financial liabilities	69,641	21,314
With cash flow interest rate risk		
－Financial assets	149,991	114,426
－Financial assets	149,991	114,426

Sensitivity Analysis

The following sensitivity analysis is determined based on interest rate exposure with respect to non-derivative instruments on the balance sheet date. For the assets with floating interest rates, the analysis is made based on the assumption that the assets outstanding on the balance sheet date are still outstanding during the reporting period.

If the interest rate is increased/decreased by 0.1%, then in the situation where all other variables remain unchanged, the pretax net profit for 2024 and 2023 would increase/decrease by $150 thousand and $114 thousand, which is due to the Company's interest rate exposure with respect to net assets with variable interest rates.

B. Credit Risk

Credit risk refers to the risk incurred when the counterparty to a transaction delays its contractual obligations and thus causes financial loss of the Company. As of the balance sheet date, the maximum credit risk to which the Company was exposed due to possible failure by the counterparty to perform its obligations so as to cause a financial loss of the Company mainly results from the carrying amounts of financial assets recognized in the consolidated balance sheet.

To mitigate credit risk, the management of the Company has designated a team to take charge of the decision of credit line, credit approval and other monitoring procedures to ensure that proper measures are taken to recover overdue receivables. In addition, the Company also reviews recoverable amounts of receivables on a case-by-case basis on the balance sheet date to ensure that a proper amount of impairment loss is allocated for unrecoverable receivables. Accordingly, the management of the Company believes that the Company's credit risk has significantly reduced.

The entities from which accounts receivable shall be collected cover many customers engaging in different industries and located in different geographical areas. The Company continues evaluating financial conditions of each customer from which accounts receivable shall be collected.

Except for Customer A, Customer B, Customer C, Customer D, Customer E, Customer F and Customer G as described below, the Company does not have a material credit risk against any single trading party or any set of trading parties with similar characteristics. When the trading parties are related enterprises to each other, the Company defines them as the trading parties with similar characteristics. As of December 31, 2024, with the exception of Customer A, Customer B, Customer C, Customer D, Customer E, Customer F and Customer G, the concentration of credit risk with respect to other trading parties did not exceed 5% of total accounts receivable. The credit risks with Customer A, Customer B, Customer C, Customer D, Customer E, Customer F and Customer G are limited, since they are highly reputable manufacturers.

C. Liquidity Risk

The Company keeps successful business operation and mitigates the impact of cash flow fluctuation by managing and maintaining sufficient cash and cash equivalents.

(A) Liquidity of Non-derivative Financial Liabilities

The table below shows the maturity analysis for the remaining contracts of non-derivative financial liabilities, which is conducted based on the undiscounted cash flows of financial liabilities, including cash flows of interest and principal, on the earliest date that the Company is requested to make the repayment.

December 31, 2024

	Payable upon demand or less than 1 month	1~3 months	3 months~ 1 year	1~5 years	Total
Accounts payable	$ 66,437	$ 42,225	$ -	$ -	$ 108,662
Lease liabilities	$ 816	$ 2,218	$ 10,544	$ 22,098	$ 35,676
Fixed rate instruments	$ -	$ -	$ 10,208	$ 24,792	$ 35,000
Other current liabilities	$ 8,229	$ 8,312	$ -	$ -	$ 16,541

Further information regarding the maturity analysis for the aforementioned financial liabilities is as follows:

	Less than 1 year	1～5 years	Over 5 years
Lease liabilities	$ 13,578	$ 22,098	$ -
Fixed rate instruments	10,208	24,792	-
	$ 23,786	$ 46,890	$ -

December 31, 2023

	Payable upon demand or less than 1 month	1~3 months	3 months~ 1 year	1~5 years	Total
Accounts payable	$ 66,255	$ 41,381	$ -	$ -	$ 107,636
Lease liabilities	$ 1,114	$ 2,111	$ 8,837	$ 9,754	$ 21,816
Other current liabilities	$ 13,175	$ 5,613	$ -	$ -	$ 18,788

Further information regarding the maturity analysis for the aforementioned financial liabilities is as follows:

	Less than 1 year	1～5 years	Over 5 years
Lease liabilities	$ 12,062	$ 9,754	$ -

27. Transactions with Related Parties

(1) Transactions, account balances, incomes and expenses among Leadtrend and its subsidiaries (i.e. related parties of Leadtrend) were eliminated completely upon consolidation, so they are not disclosed in the Notes. No transactions between the Company and any related party exist.

(2) Remunerations to Main Managements

	2024	2023
Short-term employee benefits	$ 26,641	$ 26,412
Post-employment benefits	522	818
Share-based payment	3,468	4,015
	$ 30,631	$ 31,245

The remunerations to directors and main managements are determined by the remuneration committee based on individual performance and market trends.

28. Material Contingent Liabilities and Unrecognized Contractual Commitments

The material commitments of the Company as of the balance sheet date are as follows:

(1) Material Commitments

Leadtrend signed a patent technology transfer agreement with a company in March 2018. The consideration for the transfer was agreed to be made in installations for 3 terms. The total contract amount for the 1st and 2nd terms was USD 600 thousand. The amount to be paid for the 3rd term was calculated at a certain percentage of the proceeds of patent derivatives earned for 3 years from the launch date, and should be no less than USD 300 thousand.

29. Information of Foreign Currency Assets and Liabilities Having a Material Impact

The following information is expressed in foreign currencies, rather than the functional currency used by each entity of the Company. The disclosed exchange rate refers to the exchange rate of the foreign currency to the functional currency. Foreign currency financial assets and liabilities having a material impact are as follows:

December 31, 2024 Unit: In thousands of dollars in foreign currency

	Foreign currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary item			
USD	$ 4,182	32.785(USD: NTD)	$ 137,091
USD	2	7.321(USD: RMB)	1
CNY	20,221	4.478(RMB: NTD)	90,550
			$ 227,642
Foreign currency liabilities			
Monetary item			
USD	1,772	32.785 (USD: NTD)	$ 58,089
CNY	112	4.478 (RMB: NTD)	501
			$ 58,590

December 31, 2023 Unit: In thousands of dollars in foreign currency

	Foreign currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary item			
USD	$ 4,808	30.705 (USD: NTD)	$ 147,642
CNY	11,569	4.327 (RMB: NTD)	50,058
			$ 197,700
Foreign currency liabilities			
Monetary item			
USD	2,180	30.705 (USD: NTD)	$ 66,952

The realized and unrealized net foreign exchange gains (losses) for 2024 and 2023 was $13,663 thousand and ($175) thousand respectively. As functional currencies adopted by entities in the Group for foreign currency transactions are diversified, disclosing foreign exchange gains or losses based on each foreign currency with material impact is not feasible.

30. Disclosures in the Notes

(1) Material Transactions and (2) Reinvestment-related Information: Material transactions between the parent company and a subsidiary and the balance thereof were written off completely in preparation of the consolidated financial statements.

A. Funds lent to others: None.

B. Endorsement and guarantee for others: None.

C. Negotiable securities held at the end of the year:

Company holding securities	Type of negotiable securities	Name of negotiable securities	Relation with the issuer of negotiable securities	Account	End of year				Remark
					Number of shares or units (Thousand)	Carrying amount	Shareholding %	Fair value	
Leadtrend Shenzhen	Funds	CR Yuanta Cash Money Market Fund B	—	Financial assets at FVTPL－Current	-	$ 52,249	-	$ 52,249	Note 1
		ICBC Financial Management Corporation Tianlibao Net Value Financial Products	—	Financial assets at FVTPL－Current	-	51,726	-	51,726	Note 1
The Company	Bonds	P12TSMC2A	—	Non-current financial assets at amortized cost	10	1,000	-	994	Note 2

Note1: It was calculated based on the net worth on December 31, 2024.

Note2: It was calculated based on the trading market price of $100 at the end of 2024.

Note3: There were not any users providing collaterals or pledges for loans or being restricted by other agreements with respect to the negotiable securities listed above as of December 31, 2024.

D. Accumulated purchases or sales of negotiable securities up to NTD 300 million or 20% of the paid-in capital: None

E. An amount of obtained real estate up to NTD 300 million or 20% of the paid-in capital: None

F. Proceeds up to NTD 300 million or 20% of the paid-in capital from disposal of real estate: None

G. Purchases from or sales to related parties up to NTD 300 million or 20% of the paid-in capital:

Selling (purchasing) company	Counterparty	Relation	Transaction				Transaction terms different from those for general transactions, and reasons		Notes and accounts receivable (payable)		Remark
			Sale (purchase)	Amount	Of total purchase (sale) (%)	Credit period	Unit price	Credit period	Balance	Of the total notes and accounts receivable (payable) (%)	
The Company	Leadtrend Technology (Shenzhen) Ltd.	Parent company and subsidiary	Sale	$ 448,326	35	Net 60 days, end of the month	Note	Corresponding	$ 87,572	47	—

Note: The selling price at which Leadtrend sold products to the related party was determined based on the arm's length principle.

H. Receivables from related parties up to NTD 100 million or 20% of the paid-in capital: None

I. Transactions of derivatives: None.

J. Others: Business relationship between the parent company and each subsidiary, and between subsidiaries, and important transactions among them and transaction amounts:

<u>2024</u>

No. (Note 1)	Name of trading party	Counterparty to the transaction	Relation with the trading party (Note 2)	Transaction details			
				Accounting item	Amount	Transaction conditions	Of the total consolidated revenue or total assets
0	Leadtrend Technology Corporation	Leadtrend Technology (Shenzhen) Ltd.	1	Sales revenue	$ 448,326	Note 3	31%
0	Leadtrend Technology Corporation	Leadtrend Technology (Shenzhen) Ltd.	1	Accounts receivable －Related parties	87,572	Note 3	4%

Note1: The parent company is 0. Subsidiaries are numbered in numerical order from 1, by types of the subsidiaries.

Note2: "1" represents a transaction initiated by the parent company with a subsidiary.
"2" represents a transaction initiated by a subsidiary with the parent company.

Note3: There is no appropriate object comparable with the sales price between subsidiaries, and the collection period with the subsidiary is comparable to that with ordinary customers.

K. Information on investees: None.

(3) Information of Investments in Mainland China:

The Company does not have any other matters that should be disclosed, except the following:

A. Name of investee company in Mainland China, main business activities, paid-in capital, investment method, funds remitted in and out, shareholding, investment gain or loss, book value of investments at the end of the year, investment gain (loss) remitted back already, and limit of investments in Mainland China:

Unit: In thousands of NTD; in thousands of USD

Name of investee company in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated investment amount remitted from Taiwan at the beginning of the year	Investment amount remitted or recovered in the year		Accumulated investment amount remitted from Taiwan at the end of the year	Current profit (loss) of the investee company	Percentage of shares held by the Company through direct or indirect investment	Investment gain (loss) recognized for the year (Note 2)	Ending book value of investment (Note 2)	Investment gain remitted back to Taiwan as of the end of the year
					Remitted	Recovered						
Leadtrend Technology (Shenzhen) Ltd.	Design and R&D of computer application software and system integration; wholesale of computer software, integrated circuits, semiconductor chips and related electronic parts and components; manufacturing of electronic components, manufacturing of integrated circuit chips and products, manufacturing of computer software, hardware and peripheral equipment	$ 324,572 (USD 9,900)	Note 1	$ 231,134 (USD 7,050)	$ -	$ -	$ 231,134 (USD 7,050)	$ 85,263 (USD 2,655)	100%	$ 85,263 (USD 2,655)	$ 306,379 (USD 9,345)	$ -

Accumulated investment amount remitted from Taiwan to Mainland China at the end of the year	Investment amount approved by Investment Commission, Ministry of Economic Affairs	60% of net worth, the limit of investment provided by Investment Commission, Ministry of Economic Affairs
$231,134 (USD 7,050)	$324,572 (USD 9,900)	$1,059,475

Note1: The investment was made physically in Mainland China.

Note2: It was calculated based on the financial statements of the same accounting period audited by CPAs.

Note3: The figures in a foreign currency indicated in the table were converted into NT dollars at the exchange rate announced on the reporting date.

Note4: At December 31, 2024, Leadtrend Company had an investment amount of US$9,900 approved by the Investment Review Committee of the Ministry of Economic Affairs, and had actually remitted US$7,050. The remaining uninvested amount has expired.

B. Material transactions with investee companies in Mainland China directly or through a third region, the prices, payment terms, unrealized gains (losses) with respect to the transactions, and relevant information helpful for understanding the impact of investments in Mainland China on the financial statements: Refer to (A) 7 and 10 "Others".

(4) Information of Key Shareholders: Name of Shareholder Holding Over 5% of Equity, Number of Shares Held and Percentage of Shareholding:

Name of key shareholder	Shares	
	Number of shares held	Percentage of shareholding (%)
Jie Neng Investment Co., Ltd.	4,880,227	8.07

31. Information of Segments

(1) Segment Revenues, Business Results and Segment Assets

Business decision makers of the Company focus on product-specific information when allocating resources and evaluating performance of segments. As each product has similar economic characteristics and is sold in a unified and centralized marketing way, the Company is therefore aggregated as a single independently operated business. Measurement bases for the information of segments provided by the Company for business decision makers for review are the same as those for the consolidated financial statements. For the revenues and operating results of segments for 2024 and 2023 to be reported, please refer to the consolidated statement of comprehensive income for the years ended December 31, 2024 and 2023. For segment assets on December 31, 2024 and 2023 to be reported, please refer to the consolidated balance sheet of December 31, 2024 and 2023.

(2) Revenues from Main Products and Services:

The Company's revenues from main products and services are analyzed as follows:

	2024	2023
Integrated circuits	$ 1,453,906	$ 1,141,594

(3) Information about Geographical Areas:

The incomes of the Company's continuing operations from external customers are listed, by the countries where the customers are located and by the areas where non-current assets are located, as follows:

	Revenue from external customers		Non-current assets	
	2024	2023	December 31, 2024	December 31, 2023
Taiwan (where Leadtrend is located)	$ 743,327	$ 598,364	$ 453,409	$ 457,991
Mainland China	707,901	534,307	54,917	56,115
Korea	2,678	2,187	-	-
Other countries	-	6,736	-	-
	$ 1,453,906	$ 1,141,594	$ 508,326	$ 514,106

Financial instruments, deferred income tax assets and refundable deposits are not included in non-current assets.

(4) Information of Important Customers:

The customers from each of which the revenue occupied more than 10% of the net operating revenue of the Company are as follows:

	2024		2023	
Name of Customer	Amount	Percentage %	Amount	Percentage %
Company A	$ 377,959	26	$ 316,301	28
Company B	176,779	12	145,125	13
Company C	161,604	11	125,569	11
Company D	158,790	11	83,463	7