Stock code: 3622

Young Fast Optoelectronics Co., Ltd.

Parent Company Only Financial Statements and Independent Auditors' Report

2024 and 2023

Company address: No. 31, Jingjian 1st Road, Guanyin Industrial Zone, Guanyin District, Taoyuan City
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Notes to Readers

The independent auditors' review report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English version and Chinese version, the Chinese-language independent auditors' review report and financial statements shall prevail.

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Auditing Report of the Certified Accountants

To the Board of Directors of Young Fast Optoelectronics Co., Ltd.:

Audit Opinion

We have completed our review of Young Fast Optoelectronics Co. Balance Sheet for December 31, 2024 and 2023; and Statements of Comprehensive Income, Statements of Changes in Equity, Statements of Cash Flows, and Notes to the Parent Company Only Financial Statements (including a summary of significant accounting policies) for January 1 through December 31, 2024 and 2023.

In our opinion, the aforementioned parent company only financial statements in all material respects are in compliance with Regulations Governing the Preparation of Financial Reports by Securities Issuers. They are sufficient to adequately express the financial status of Young Fast Optoelectronics Co. as of December 31, 2024 and 2023 its financial performance and cash flows from January 1 through December 31, 2024 and 2023.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of Young Fast Optoelectronics Co., Ltd. in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 2024 parent company only financial statements of Young Fast Optoelectronics Co., Ltd. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgment, revenue recognition constitutes a key audit matter to be communicated in the audit report.

For details of accounting policies regarding revenue recognition, please refer to Note 4 (16) of the parent company only financial statements on Recognition of Revenue; for details of revenue related disclosures, please refer to Note 6 (20) the parent company only financial statements.

Explanation of Key Audit Matters:

Sales revenue of Young Fast Optoelectronics Co., Ltd. stands as the primary indicator for investors and management in evaluating its financial or business performance. Moreover, as a listed company, Young Fast Optoelectronics Co., Ltd. is highly regarded by the investing public. Therefore, we identify revenue recognition as an important item in the audit of current year financial statements.

Corresponding Audit Procedures:

Our main audit procedures regarding the above key audit matters include:

- Testing the effectiveness of internal control design and implementation related to revenue recognition.
- Conducting trend analysis for the top ten customers in terms of sales, including a comparison of the customer list and sales revenue amounts between the current period and the most recent period and the same period of last year to assess whether there are any significant abnormalities. If there are major changes, the causes are identified and analyzed.
- Sampling and checking sales transactions of the whole year to evaluate the authenticity of sales transactions, the correctness of the recognized amounts of sales revenue, and the reasonableness of the time of accounting.
- Testing a sample of sales transactions in the period before and after the end of the year to assess whether the timing of revenue recognition is appropriate.

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

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

In preparing the parent company only financial statements, management is responsible for assessing the ability to continue as a going concern of Young Fast Optoelectronics Co., Ltd., disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Young Fast Optoelectronics Co., Ltd. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the financial reporting process of Young Fast Optoelectronics Co., Ltd.

Auditor’s Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Young Fast Optoelectronics Co., Ltd.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of Young Fast Optoelectronics Co., Ltd. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Young Fast Optoelectronics Co., Ltd. to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on these parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion regarding Young Fast Optoelectronics Co., Ltd.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2024 parent company only financial statements of Young Fast Optoelectronics Co., Ltd. and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

KPMG Taiwan

CERTIFIED PUBLIC ACCOUNTANTS

Republic of China

February 27, 2025

Young Fast Optoelectronics Co., Ltd.

Balance sheet

December 31, 2024 and 2023

Unit: NTD Thousand

	Assets	**2024.12.31 Amount**	**%**	**2023.12.31 Amount**	**%**
11xx	**Current Assets:**				
1100	Cash and cash equivalents (Notes 6 (1))	$ 606,787	8	350,074	5
1110	Current financial assets at fair value through profit or loss (Note 6 (2))	273,000	2	127,624	2
1120	Current financial assets at fair value through other comprehensive income (Note 6 (3))	3,848,300	49	3,831,917	52
1136	Current financial assets at amortised cost (Note 6 (4))	59,013	1	-	-
1150	Notes receivable, net (Note 6 (5) and (20))	146,388	2	253,646	3
1160	Notes receivable, related parties (Note 6 (5), (20) and 7)	34,821	-	-	-
1170	Accounts receivable, net (Note 6 (5) and (20))	42,399	1	137,739	2
1180	Accounts receivable due from related parties (Notes 6 (5), (20) and 7)	3,167	-	53,540	1
1200	Other receivables (Note 6 (5) and(6))	9,097	-	7,192	-
1210	Other receivables due from related parties, net (Note 6 (6) and 7)	90	-	4,562	-
130X	Inventory (Notes 6 (7) , 7 and 9)	244,188	3	196,081	3
1470	Other current assets	25,310	-	8,792	-
	Total current assets	5,292,560	67	4,971,167	68
15xx	**Non-current assets:**				
1517	Non-current financial assets at fair value through other comprehensive income (Note 6 (3))	532,531	7	366,781	5
1550	Investments accounted for using equity method, net (Note 6 (8))	1,401,629	18	1,302,677	18
1600	Property, plant and equipment (Notes 6 (9), (13) , 8 and 9)	461,091	6	416,179	6
1755	Right of use assets (Notes 6 (10), (14) and 7)	29,779	-	44,668	1
1760	Investment real estate, net (Note 6 (11))	75,827	1	76,007	1
1780	Intangible assets (Note 6 (12))	4,551	-	4,284	-
1840	Deferred tax assets (Note 6 (17))	94,735	1	90,476	1
1915	Prepaid equipment(Note 6 (9) and (12))	294	-	32,142	-
1990	Other non-current assets (Note 6 (5),(6) and (20))	32,036	-	30,126	-
	Total non-current assets	2,632,473	33	2,363,340	32
1xxx	**Total assets**	$ 7,925,033	100	7,334,507	100

	Liabilities and Equity	**2024.12.31 Amount**	**%**	**2023.12.31 Amount**	**%**
21xx	**Current liabilities:**				
2130	Current contract liabilities (Note 6 (20))	2,120	-	4,892	-
2170	Accounts payable	98,840	1	103,627	1
2180	Accounts payable, related parties (Note 7)	177,745	2	207,817	3
2200	Other payables (Note 6 (21) and 7)	218,383	3	206,989	3
2230	Current tax liabilities	12,050	-	10,788	-
2250	Current provisions (Note 6 (15))	22,918	1	33,226	1
2282	Lease liabilities – Related parties (Notes 6 (14) and 7)	15,055	-	14,860	-
2399	Other current liabilities	580	-	4,907	-
	Total current liabilities	547,691	7	587,106	8
25xx	**Non-current liabilities:**				
2540	Long-term borrowings (Notes 6 (9), (13) and 8)	35,000	1	-	-
2551	Provision for employee benefit liabilities, non-current (Note 6 (16))	4,409	-	5,944	-
2552	Provision for long-term liabilities for warranties (Note 6 (15))	84,917	1	90,491	1
2556	Provision for long-term liabilities for decommissioning, rehabilitation, and restoration costs (Note 6 (15))	4,102	-	4,102	-
2570	Deferred tax liabilities (Note 6 (17))	126	-	881	-
2582	Lease liabilities – Related parties (Notes 6 (14) and 7)	15,252	-	30,307	1
2670	Other non-current liabilities	66,577	1	61,916	1
	Total non-current liabilities	210,383	3	193,641	3
2xxx	**Total liabilities**	758,074	10	780,747	11
31xx	**Equity (Note 6 (8), (16), (17), and (18)):**				
3110	Share capital from common stock	1,513,276	19	1,513,276	21
3200	Capital reserve	1,850,197	23	1,925,860	26
	Retained earnings:				
3310	Legal reserve	169,865	2	113,160	1
3350	Undistributed surplus earnings	1,629,532	21	1,191,368	16
	Total retained earnings	1,799,397	23	1,304,528	17
3400	Other equity interest	2,004,089	25	1,810,096	25
3xxx	**Total Equity**	7,166,959	90	6,553,760	89
2-3xxx	**Total liabilities and equity**	$ 7,925,033	100	7,334,507	100

(For details, please refer to the attached notes to the parent company only financial statements)

Young Fast Optoelectronics Co., Ltd.
Statement of Comprehensive Income
January 1 to December 31, 2024 and 2023

Unit: NTD Thousand

		2024 Amount	%	2023 Amount	%
4000	**Operating revenue (Note 6 (20) and 7)**	$ 1,583,142	100	1,645,557	100
5000	**Operating costs (Notes 6 (7),(9), (10), (12), (14) , (15), (16) , 7, and 12)**	966,847	61	1,149,187	70
5900	**Operating margin**	616,295	39	496,370	30
6000	**Operating expenses (Notes 6 (5), (6), (9), (10), (12), (14), (16), (21) ,7 and 12):**				
6100	Marketing expenses	43,148	3	35,328	2
6200	Management expenses	133,828	8	122,818	7
6300	Research and development expenses	41,316	3	46,289	3
6450	Expected credit loss	(125)	-	(1,370)	-
	Total operating expenses	218,167	14	203,065	12
6900	**Net operating profit**	398,128	25	293,305	18
7000	**Non-operating revenue and expenses (Notes 6 (2), (8), (9), (11), (14), (22), 7 and 12):**				
7100	Interest income	7,061	-	3,909	-
7010	Other income	145,707	9	109,049	6
7020	Other gains and losses	43,170	3	12,115	1
7050	Finance costs	(1,105)	-	(693)	-
7060	Share of profit or loss of subsidiaries and affiliates accounted for using the equity method	134,729	9	101,057	6
	Total non-operating revenue and expenses	329,562	21	225,437	13
7900	**Net profit from continuing operations before tax**	727,690	46	518,742	31
7950	**Less: Income tax expense (benefit) (Note 6 (17))**	7,247	-	(48,792)	(3)
8200	**Net profit for the period**	720,443	46	567,534	34
8300	**Other comprehensive income (Note 6 (8), (16), (17), and (18)):**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Remeasurement of defined benefit plan	1,609	-	(668)	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	134,375	9	625,489	38
8320	Share of other comprehensive profits and losses of subsidiaries, affiliates, and joint ventures recognized using the equity method	131	-	48	-
8349	Less: Income tax related to items that will not be reclassified	322	-	(134)	-
	Total items that will not be reclassified to profit or loss	135,793	9	625,003	38
8360	**Items that may subsequently be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	53,520	3	(130)	-
8380	Share of other comprehensive profits and losses of subsidiaries, affiliates, and joint ventures recognized using the equity method	6,098	-	(2,996)	-
8399	Less: Income tax related to items that may be reclassified	-	-	-	-
	Total items that may subsequently be reclassified to profit or loss	59,618	3	(3,126)	-
8300	**Other comprehensive income, net of tax, for the period**	195,411	12	621,877	38
8500	**Total comprehensive income for the period**	**$ 915,854**	**58**	**1,189,411**	**72**
9710	**Earnings per share (Unit: NTD) (Note 6 (19))**				
9750	Basic earnings per share	**$ 4.76**		**3.75**	
9850	Diluted earnings per share	**$ 4.75**		**3.74**	

(For details, please refer to the attached notes to the parent company only financial statements)

Young Fast Optoelectronics Co., Ltd.

Statement of Changes in Equity

January 1 to December 31, 2024 and 2023

Unit: NTD Thousand

			Retained earnings			Total other equity interest			
	Share capital from common stock	**Capital reserve**	**Legal reserve**	**Undistributed surplus earnings**	**Total**	**Exchange differences on translation of foreign financial statements**	**Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income**	**Total**	**Total equity**
Balance at January 1, 2023	$ 1,513,276	2,001,516	71,324	817,484	888,808	13,527	1,174,206	1,187,733	5,591,333
Earnings allocation and distribution:									
Provision for legal reserve	-	-	41,836	(41,836)	-	-	-	-	-
Common stock cash dividend	-	-	-	(151,328)	(151,328)	-	-	-	(151,328)
Changes in other capital reserve:									
Changes in equity of investment in associates and joint ventures accounted for using equity method	-	8	-	-	-	-	-	-	8
Cash dividends from capital reserve	-	(75,664)	-	-	-	-	-	-	(75,664)
Net profit for the period	-	-	-	567,534	567,534	-	-	-	567,534
Other comprehensive income, net of tax, for the period	-	-	-	(486)	(486)	(3,126)	625,489	622,363	621,877
Total comprehensive income for the period	-	-	-	567,048	567,048	(3,126)	625,489	622,363	1,189,411
Balance at December 31, 2023	1,513,276	1,925,860	113,160	1,191,368	1,304,528	10,401	1,799,695	1,810,096	6,553,760
Earnings allocation and distribution:									
Provision for legal reserve	-	-	56,705	(56,705)	-	-	-	-	-
Common stock cash dividend	-	-	-	(226,992)	(226,992)	-	-	-	(226,992)
Changes in other capital reserve:									
Cash dividends from capital reserve	-	(75,663)	-	-	-	-	-	-	(75,663)
Net profit for the period	-	-	-	720,443	720,443	-	-	-	720,443
Other comprehensive income, net of tax, for the period	-	-	-	1,418	1,418	59,618	134,375	193,993	195,411
Total comprehensive income for the period	-	-	-	721,861	721,861	59,618	134,375	193,993	915,854
Balance at December 31, 2024	**$ 1,513,276**	**1,850,197**	**169,865**	**1,629,532**	**1,799,397**	**70,019**	**1,934,070**	**2,004,089**	**7,166,959**

(For details, please refer to the attached notes to the parent company only financial statements)

Young Fast Optoelectronics Co., Ltd.
Statement of Cash Flows
January 1 to December 31, 2024 and 2023

Unit: NTD Thousand

	2024	2023
Cash flows from operating activities:		
Profit (loss) before tax for the current period	$ 727,649	518,742
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	45,483	44,278
Amortization expense	863	888
Expected credit loss	(125)	(1,370)
Loss (gain) on financial assets at fair value through profit or loss	(45,768)	(13,377)
Interest expense	1,105	693
Interest income	(7,061)	(3,909)
Dividend income	(129,430)	(100,008)
Profit from subsidiaries and affiliates accounted for using the equity method	(134,729)	(101,057)
Proceeds from disposal of property, plant and equipment	(895)	(1,175)
Total income and expense items	(270,557)	(175,037)
Changes in operating assets and liabilities:		
Changes in operating assets, net:		
Current Financial Assets at Fair Value through Profit or Loss	(99,608)	(39,277)
Notes receivable	98,344	(170,160)
Notes receivable related parties	(34,821)	-
Accounts receivable (including related parties)	146,690	(71,851)
Other receivables (including related parties)	2,567	(7,763)
Inventory	(48,107)	(27,595)
Other current assets	(16,518)	(4,454)
Total changes in operating assets, net	48,547	(321,100)
Changes in operating liabilities, net:		
Contract liabilities	(2,772)	(687)
Notes payable	-	(546)
Accounts payable (including related parties)	(34,859)	88,417
Other payables	17,430	48,078
Provisions	(15,882)	37,513
Other current liabilities	(4,327)	3,549
Non-current net defined benefit liability	74	(61)
Decrease in other operating liabilities	(40,336)	176,263
Net changes in operating assets and liabilities	8,211	(144,837)
Total adjustments	(262,346)	(319,874)
Cash inflow generated from operations	465,344	198,868
Interest received	7,061	3,909
Interest paid	(1,105)	(693)
Payment of income tax	(11,321)	(6,699)
Net cash inflow from operating activities	459,979	195,385
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(47,758)	(221,684)
Acquisition of financial assets at amortised cost	(59,013)	-
Disposal of financial assets at amortised cost	-	30,710
Acquisition of property, plant and equipment	(50,088)	(6,651)
Disposal of property, plant and equipment	1,243	1,175
Increase in refundable deposits	257	(113)
Acquisition of intangible assets	(610)	-
Other non-current assets		
Increase in refundable deposits	5,895	(3,472)
Increase in prepaid equipment	(294)	(31,622)
Dividends received	224,956	152,763
Net cash inflow (outflow) from investing activities	74,588	(78,894)
Cash flows from (used in) financing activities:		
Increase in long-term borrowings	35,000	-
Increase in deposits received	509	213
Payment of lease liabilities	(14,860)	(14,597)
Decrease in other non-current liabilities	4,152	(9)
Payment of cash dividends	(302,655)	(226,992)
Net cash flows used in financing activities	(277,854)	(241,385)
Net decrease in cash and cash equivalents for the period	256,713	(124,894)
Cash and cash equivalents at beginning of period	350,074	474,968
Cash and cash equivalents at end of period	**$ 606,787**	**350,074**

(For details, please refer to the attached notes to the parent company only financial statements)

Young Fast Optoelectronics Co., Ltd.
Notes to the Parent Company Only Financial Statements
2024 and 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

I. Company history

Young Fast Optoelectronics Co., Ltd. (“the Company”), previously known as Dahelong Electromechanical Co., Ltd., was established and registered with the approval of the Ministry of Economic Affairs on July 30, 2002, in accordance with the Company Law and its relevant laws and regulations, and obtained registration as a for-profit enterprise with its main business being the manufacture of power cable accessories such as power generation, transmission and distribution.

(Original) Young Fast Optoelectronics Co., Ltd. (formerly Young Fast Optoelectronics Company) was established on August 1, 2007 in accordance with the Business Mergers and Acquisitions Act. Its main business items are the research and development, manufacturing, and sales of various types of touch panels.

In order to improve our operational performance and competitiveness, the Company passed a resolution of its extraordinary shareholders’ meeting of November 23, 2007 to undergo a merger with the former Young Fast Optoelectronics Company and change the Company’s name to Young Fast Optoelectronics Co., Ltd. Following the merger, the Company was to be the surviving company with a swap of 0.5 common shares of the original Young Fast Optoelectronics for 1 common share of the Company. All rights and obligations of the original Young Fast Optoelectronics was to be generally accepted by the Company. The Company issued 84,000 thousand ordinary shares for the merger and capital increase, and December 24, 2007 was the base date for the merger and capital increase and issuance of new shares.

The Company passed a resolution of the Board of Directors on April 28, 2017 such that in accordance with Article 19 of the Business Mergers and Acquisitions Act and taking May 31, 2017 as the base date, a simple merger was undertaken with the 100%-owned reinvested companies Lucky Chance Enterprise Co., Ltd. (“Lucky Chance”) and with Lead Well Technology Co., Ltd. (“Lead Well”). After the mergers, Lucky Chance and Lead Well were to be the extinguished companies and the Company was to be the surviving company.

II. Approval date and procedures of the financial statements

The parent company only financial statements were authorized for issuance by the Board of Directors on February 27, 2025.

III. New standards, amendments and interpretations adopted

(I) The impact of adopting the newly issued and revised standards and interpretations approved by the Financial Supervisory Commission (“the FSC”).

The Company will apply the following newly amended International Financial Reporting Standards from January 1, 2024, and there is no significant impact on the parent company only financial statements.

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”

(II) Implications of adopting International Financial Reporting Standards not yet endorsed by the FSC

The consolidated company has applied the following newly revised International Financial Reporting Standards since January 1, 2025, and has not had a significant impact on the consolidated financial statements:

・Amendments to IAS 21 “Lack of Exchangeability”

(III) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Company , have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. · A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. · Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. · Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027

The Company is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Company completes its evaluation.

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”
- IFRS 17 "Insurance Contracts” and amendments to IFRS 17 "Insurance Contracts”
- IFRS 19 " Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

IV. Summary of significant accounting policies

A summary of the significant accounting policies adopted in the parent company only financial statements is as follows. The following accounting policies have been applied consistently to all periods presented in the parent company only financial statements.

(I) Statement of compliance

The parent company only financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Compilation basis

1. Measurement basis

Except for the following significant items of the balance sheet, the parent company only financial statements have been prepared on a historical cost basis:

(1) Financial assets at fair value through profit or loss measured at fair value;

(2) Financial assets at fair value through other comprehensive income measured at fair value;

(3) Defined benefit liabilities are measured by adding unrecognized upfront service costs and unrecognized actuarial losses to pension fund assets, less unrecognized actuarial benefits and the present value of defined benefit obligations, and the impact of the upper limit stated in Note 4 (18).

2. Functional currency and currency of presentation

Each entity of the Company uses the currency of the primary economic environment in of said entity’s operations as its functional currency. The parent company only financial statements are expressed in the Company's functional currency, which is the New Taiwan Dollar. All financial information presented in New Taiwan Dollars is in thousands of New Taiwan Dollars.

(III) Foreign currencies

1. Foreign currency transactions

Foreign currency transactions are translated into functional currency at the exchange rate as of the date of transaction. On the end date of each subsequent reporting period (the “reporting date”), foreign currency monetary items are converted into the functional currency according to the exchange rate of that date.

Foreign currency non-monetary items measured at fair value are converted into functional currency at the exchange rate on the day when the fair value was measured. Foreign currency non-monetary items measured at historical cost are translated at the exchange rate on the date of the transaction. Foreign currency translation differences arising from translation are normally recognized in profit or loss. However, foreign currency translation differences arising from the translation of equity investments at fair value through other comprehensive income are recognized in other comprehensive income.

2. Foreign operating entities

Assets and liabilities of foreign operating entities, including goodwill arising from acquisitions and fair value adjustments, are translated into the currency of presentation of the entity's financial statements at the exchange rate on the reporting date; items of income and expenses are translated into the currency of presentation of the parent company only financial statements at the average exchange rate of the current period, and the resulting exchange differences are recognized as other comprehensive income.

When disposal of a foreign operating entity results in a loss of control, joint control, or significant influence, the accumulated exchange differences related to the foreign operating entity are fully reclassified to profit or loss. In the case of partial disposal of a subsidiary that includes a foreign operating entity, the relevant accumulated exchange differences are re-attributed to non-controlling interests on a pro rata basis. When partially disposing of an investment involving an affiliated enterprise or a joint venture of a foreign operating entity, the relevant accumulated exchange differences are reclassified to profit or loss on a pro rata basis.

For monetary receivables or payables to foreign operating entities, if there is no repayment plan and it is impossible to repay in the foreseeable future, the foreign currency exchange gains and losses arising therefrom are regarded as part of the net investment in the foreign operating entity and are recognized as other comprehensive income.

(IV) Classification criteria for distinguishing current and non-current assets and liabilities

Assets that meet one of the following conditions are classified as current assets; all other assets that are not current assets are classified as non-current assets:

1. The asset is expected to be recognized in its normal operating cycle, or there is intent to sell or consume it;
2. The asset is held mainly for trading purposes;
3 The asset is expected to be recognized within twelve months after the reporting period; or
4. The asset is cash or a cash equivalent, unless there are other restrictions on exchanging the asset or using it to settle a liability at least twelve months after the reporting period.

Liabilities that meet one of the following conditions are classified as current liabilities; all other liabilities that are not current liabilities are classified as non-current liabilities:

1. It is expected that the liability will be settled during the normal operating cycle;
2. The liability is held mainly for trading purposes;
3. The liability is expected to be settled within twelve months after the reporting period; or
4. The liability does not have an unconditional right to defer settlement to at least

twelve months after the reporting period. The terms of the liability, which may be liquidated by the issuance of equity instruments at the choice of the counterparty, do not affect their classification.

(V) Cash and cash equivalents

Cash includes cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible into fixed amounts of cash with little risk of changes in value. Fixed deposits that meet the above definition and are held for short-term cash commitments, rather than investment or other purposes, are presented in cash equivalents.

(VI) Financial instruments

Accounts receivable are originally recognized as they are incurred. All other financial assets and financial liabilities are originally recognized when the Company becomes a party to the contractual terms of the financial instrument. Financial assets and financial liabilities not measured at fair value through profit or loss (except for accounts receivable that do not contain significant financial components) are originally measured at fair value plus transaction costs directly attributable to their acquisition or issuance. Accounts receivable that do not contain significant financial components are originally measured at their transaction prices.

1. Financial assets

When the purchase or sale of financial assets conforms to conventional transactions, the Company shall adopt transaction-day accounting for all purchases and sales of financial assets classified in the same way.

Financial assets are classified as: financial assets at amortized cost, financial assets at fair value through other comprehensive income, or financial assets at fair value through profit or loss. The Company reclassifies all affected financial assets from the first day of the following reporting period only when changing the business model for managing financial assets.

(1) Financial assets measured at amortized cost

Financial assets are measured at amortized cost when they meet both of the following conditions and when they are not designated as fair value through profit or loss:

- The financial asset is held under the operating model for the purpose of collecting contractual cash flow.
- The contractual terms of the financial asset generate cash flows on a specified date and entirely for the sake of payment of principal and interest on the principal amount in circulation.

The assets in question are subsequently calculated by adding or subtracting the original recognized amount to the accumulated amortization amount calculated using the effective interest method, and adjusts any measure of post amortized cost of loss allowance. Interest income, foreign currency exchange gains and losses, and impairment losses are recognized in profit or loss. Upon derecognition, profits or losses are to be included under profit or loss.

(2) Financial assets at fair value through other comprehensive income

At the original time of recognition, the Company may make an irrevocable election to present subsequent changes in fair value of investments in equity instruments not held for trading in other comprehensive income. The foregoing elections are made on the basis of the individual instrument.

Investments in equity instruments are to be subsequently measured at fair value. Dividend income is to be recognized under profit or loss (unless it clearly represents the recovery of a portion of the investment cost). Remaining net gains or losses are to be recognized as other comprehensive income and are not to be reclassified to profit or loss.

Dividend income from equity investments is to be recognized on the date when the Company is entitled to receive dividends (usually the ex-dividend date).

(3) Financial assets at fair value through profit or loss

Financial assets other than those measured at amortized cost above or at fair value through other comprehensive income are to be measured at fair value through profit or loss. In order to eliminate or significantly reduce accounting misalignments at the original time of recognition, financial assets that meet the criteria to be measured at amortized cost or at fair value through other comprehensive income may be irrevocably designated by the Company as financial assets at fair value through profit or loss.

These assets are to be subsequently measured at fair value and their net gains or losses are to be recognized in profit or loss (including their associated dividends and interest income).

(4) Impairment of financial assets

The Company recognizes loss allowance for expected credit losses on financial assets measured at amortized cost.

Loss allowance for bills and accounts receivables are measured based on expected credit loss during the period. Other financial assets measured at amortized cost are based on reasonable and corroborative information (obtainable without undue cost or investment), including qualitative and quantitative information; and based on the Company's historical experience, credit assessment and analysis of forward-looking information, if the credit risk has not increased significantly since the original recognition, the impairment is measured by the twelve-month expected credit loss. If it is assessed that credit risk has increased significantly since original recognition, the impairment is measured according to the duration of the credit losses.

Expected credit loss during the period refers to the expected credit losses arising from all possible default events during the expected period of a financial instrument.

Twelve-month expected credit loss constitutes expected credit losses arising from possible defaults of financial instruments within twelve months after the reporting date (or a shorter period if the expected duration of the financial instrument is less than twelve months).

The maximum period over which expected credit losses are measured is the maximum contractual period over which the Company is exposed to credit risk.

Expected credit losses are probability-weighted estimates of credit losses over the expected lifetime of a financial instrument. Credit losses are measured at the present value of all cash shortfalls; that is, the difference between the cash flows that the Company can receive under the contract and the cash flows that the Company expects to receive. Expected credit losses are discounted at the effective interest rate on the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer；
- a breach of contract such as a default or being more than 180 days past due；
- he lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider；
- it is probable that the borrower will enter bankruptcy or other financial reorganization；or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowance for financial assets measured at amortized cost are deducted from the asset's carrying amount. Amounts set aside or reversed from loss allowance are recognized in profit or loss.

When the company cannot reasonably expect to recover the financial assets in whole or in part, it directly reduces the total carrying amount of its financial assets. For company accounts, the Company analyzes the timing and amount of write-offs individually on the basis of whether they are reasonably expected to be recoverable. The Company does not expect a material reversal of the written-off amounts. However, financial assets that have been written off remain enforceable in order to comply with the Company's procedures for recovering overdue amounts.

(5) Derecognition of financial assets

The Company derecognizes financial assets only upon termination of the contractual rights to cash flows from the asset, or upon transfer of the financial assets where substantially all risks and rewards of ownership of the asset have been transferred to other enterprises, or when substantially all risks and rewards of title have neither been transferred nor retained and we do not retain control of the financial asset.

When the Company enters into a transaction to transfer financial assets, if all or substantially all risks and rewards of title to the transferred assets are retained, they shall continue to be recognized on the balance sheet.

2. Financial liabilities and equity instruments

(1) Equity Instruments

An equity instrument constitutes any contract that recognizes the Company's remaining interest in assets less all of its liabilities. Equity instruments issued by the Company are recognized at the price obtained after deducting direct issue costs.

(2) Financial liabilities

Financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and exchange gains and losses are recognized in profit or loss. Any gain or loss upon derecognition is also recognized in profit or loss.

(3) Derecognition of financial liabilities

Financial liabilities are to be derecognized when the contractual obligations have been fulfilled, canceled, or expired. When the terms of financial liabilities are modified and the cash flows of the modified liabilities are substantially different, the original financial liabilities are to be derecognized and new financial liabilities are to be recognized at fair value based on the modified terms.

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

(4) Offset of financial assets and liabilities

Financial assets and financial liabilities shall only be offset when the Company currently has legally enforceable rights to offset each other and intends to settle on a net basis or to realize assets and settle liabilities at the same time. They are to be offset against each other and presented on a net basis on the balance sheet.

(VII) Inventory

Inventories are measured at the lower of cost and net realizable value. Costs include acquisition, production or processing costs, and other costs incurred to bring them to a place and condition in which it is ready for use, and are calculated using the weighted average method. The cost of finished goods and work-in-progress inventories includes an appropriate proportion of manufacturing overhead allocated to normal production capacity.

Net realizable value represents the estimated selling price under normal operations less the estimated costs to be spent on completion and the estimated costs to complete the sale.

(VIII) Invested affiliates

An affiliate is a company over which significant influence is held over its financial and operating policies but is not controlled or jointly controlled.

The Company adopts the Equity Method to deal with equity in affiliated companies. Under the Equity Method, it is recognized at cost at the time of original acquisition and investment costs include transaction costs. The carrying amount of an investment in an affiliated company includes the goodwill identified at the time of the original investment less any accumulated impairment losses.

The parent company only financial statements cover from the date of material impact to the date of loss of material impact. After making adjustments consistent with the Company's accounting policies, the Company recognizes the amount of profit and loss and other comprehensive in come of each invested affiliate in proportion to its equity. When there is a change in non-income items and other comprehensive income of an affiliated company that does not affect the Company's associated shareholding ratio, the Company recognizes changes in equity attributable to the Company's share of the affiliated companies as capital reserve in proportion to its shareholding.

Unrealized profits and losses arising from transactions between the Company and its affiliates are only recognized in the corporate financial statements within the scope of the rights and interests of non-related party investors in the affiliated companies.

When the proportion of losses that the Company should recognize in an affiliated company is equal to or exceeds our equity in the affiliated company, recognition of such losses should be halted; and additional losses and related liabilities are to be recognized only to the extent that statutory obligations, constructive obligations, or payments have been made on behalf of the investee company.

(IX) Invested subsidiaries

When preparing parent company only financial statements, the Company adopts the equity method to evaluate invested companies with control. Under the Equity Method, the current profit and loss and other comprehensive income of the parent company only financial statements and the current profit and loss and other comprehensive income of the financial statements prepared on a consolidated basis are the same as that attributable to the owner of the parent company. Furthermore, the owner's equity in the parent company only financial statements is the same as the equity attributable to owners of the parent in the financial statements prepared on a consolidated basis.

Changes in the Company's ownership interests in subsidiaries that do not result in a loss of control are treated as equity transactions with the owner.

(X) Property, plant and equipment

1. Identification and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment.

When the useful lives of major components of property, plant and equipment are different, they are treated as separate items (major components) of property, plant and equipment.

Disposal gains or losses from property, plant and equipment are recognized in profit or loss.

2. Subsequent costs

Subsequent expenses are capitalized only when it is probable that their future economic benefits will flow to the Company.

3. Depreciation

Depreciation is calculated as the cost of the asset less the residual value. It is recognized in profit or loss on a straight-line basis over the estimated useful life of each component.

Land is not depreciated.

Estimated useful life for the current and comparison periods are as follows:

Housing and construction	2 to 40 years
Machinery and equipment	8 to 9 years
Leased assets	3 to 20 years
Other equipment	1 to 20 years

The Company reviews the depreciation method, useful life and salvage value on each reporting date and makes appropriate adjustments when necessary.

(XI) Leases

The Company assesses whether a contract constitutes or contains a lease on the date of establishment of the contract. If a contract transfers control over the use of an identified asset for a period of time in exchange for consideration, the contract constitutes or contains a lease.

1. As a lessee

The Company recognizes right-of-use assets and lease liabilities as of the lease commencement date. Right-of-use assets are initially measured at cost, which includes the original measured amount of the lease liability adjusted for any lease benefits paid on or before the lease commencement date, plus the original direct costs incurred and the estimated costs for dismantling, removing, and restoring the location or the underlying asset, and also net of any lease incentives received.

The right-of-use asset is subsequently depreciated on a straight-line basis from the lease inception date to the expiry of the useful life of the right-of-use asset or the expiry of the lease term, whichever is earlier. In addition, the Company regularly assesses whether the right-of-use asset is impaired and handles any impairment losses that have occurred. The right-of-use asset is adjusted in conjunction with the remeasurement of the lease liability.

The lease liability is initially measured at the present value of the unpaid lease payments at the inception date of the lease. If the interest rate implied by the lease is easily determined, then the discount rate is that rate. If it is not easily determined, the Company's incremental borrowing rate of interest shall be used. Generally speaking, the Company adopts its incremental borrowing rate of interest as the discount rate.

Lease payments included in the measurement of lease liabilities include:

(1) Fixed payments, including substantial fixed benefits;
(2) Changes in lease benefits depending on an index or rate, using the index or rate on the lease commencement date as the original measure;
(3) The residual value guarantee amount expected to be paid; and
(4) The exercise price or penalty payable when it is reasonably certain that a purchase option or lease termination option will be exercised.

Interest on a lease liability is subsequently accrued using the effective interest method, and its amount is re-measured when the following conditions occur:

(1) There are changes in the index or rate used to determine lease payments resulting in changes in future lease payments;
(2) There are changes in the residual value guarantee amount expected to be paid;
(3) There are changes in the assessment of the underlying asset purchase option;
(4) There are changes in estimates of whether to exercise extension or termination options and changes in the assessment of the lease term;
(5) There are modifications to the subject matter, scope, or other terms of the lease.

When the lease liability is re-measured due to the aforementioned changes in the index or rate used to determine lease payments, changes in the residual value guarantee amount, and changes in the assessment of options to purchase, extend, or terminate, the carrying amount of the right-of-use asset is adjusted accordingly. When the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasured amount is recognized in profit or loss.

For lease modifications that reduce the scope of the lease, constituting a reduction in the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, the difference between this and the remeasured amount of the lease liability is recognized in profit or loss.

The Company presents right-of-use assets and lease liabilities that do not meet the definition of investment real estate as separate line items in the balance sheet.

For short-term leasing of some office and transportation equipment and the lease of low-value target assets, the Company chooses not to recognize right-of-use assets and lease liabilities. Instead, the related lease payments are recognized as expenses on a straight-line basis over the lease term.

2. As a lessor

In transactions where the Company is the lessor, classification of lease contracts is undertaken by whether they transfer substantially all risks and rewards of ownership of the underlying asset on the lease inception date. If this is the case, a lease is classified as a finance lease; otherwise, it is classified as an operating lease. At the time of evaluation, the Company considers relevant specific indicators including whether the lease period covers the main part of the economic life of the underlying asset.

If the company is a lessor of a sublease, the main lease and sublease transactions are handled separately. The classification of sublease transactions is also assessed with the right-of-use asset arising from the main lease. If a sublease transaction meets the definition of investment real estate, the sublease transaction shall be classified as investment real estate.

Assets held under financing leases are expressed as net investment in leases receivable. The original direct costs incurred in negotiating and arranging operating leases are included in the net investment in leases. The net investment in leases is amortized as interest income over the lease term in a manner that reflects a constant rate of return on the net investment.For business leases, the Company recognizes lease payments received as lease income over the lease term on a straight-line basis.

(XII) Investment real estate

Investment real estate is held for lease income or asset appreciation or both, constituting real estate that is not for sale in normal business, for production, provision of goods or services, or for administrative purposes. Investment real estate is originally measured at cost and subsequently it is measured by cost less accumulated depreciation and accumulated impairment. Its depreciation method, useful life, and residual value shall be treated in accordance with the provisions of property, plant and equipment.

Investment real estate disposal gains or losses (calculated by the difference between the net disposal price and the carrying amount of the item) are recognized in profit or loss.

Lease income from investment real estate is recognized as non-operating income on a straight-line basis over the lease term. Lease incentives are recognized as part of the lease income during the leasing period.

(XIII) Intangible assets

1. Identification and measurement

Intangible assets are measured at cost less accumulated amortization and accumulated impairment.

2. Subsequent expenses

Subsequent expenses are capitalized only to the extent that they increase the future economic benefits of the specific asset in question.

3. Amortization

Amortization is calculated based on the cost of the asset less the estimated residual value, and is recognized in profit or loss using the straight-line method over its estimated useful life from when the intangible asset is ready for use.

Estimated useful life for the current and comparison periods are as follows:

Computer software	3 to 8 years

The Company reviews the intangible asset amortization method, useful life and salvage value on each reporting date and makes appropriate adjustments when necessary.

(XIV) Impairment of non-financial assets

The Company assesses on each reporting date whether there is an indication that the carrying amount of non-financial assets may be impaired (except for inventories, deferred tax assets, and assets arising from employee benefits). If any such sign is present, then the recoverable amount of the asset is estimated.

For the purposes of the impairment test, the smallest identifiable group of assets is formed by a group of assets whose cash inflows are largely independent of the cash inflows of other individual assets or groups of assets.

The recoverable amount is the higher of the individual asset or cash-generating unit's fair value less costs of disposal and its value in use. If the recoverable amount of an individual asset or cash-generating unit is less than the carrying amount, an impairment loss is recognized.

(XV) Provisions

The recognition of a liability provision is a present obligation due to past events where it is probable that the Company will need to outflow economic resources to settle the obligation in the future and where the amount of the obligation can be estimated reliably.

1. Liability provision for after-sales service is based on historical experience,

management's judgment and other known reasons to estimate possible product returns, discounts and replacements, and it is recognized as cost of goods sold in the year when the related products are sold.

2. Decommissioning, restoration, and rehabilitation costs is to estimate the restoration cost of the leased plant that may occur in the future.

(XVI) Revenue recognition

Revenue is measured as the consideration to which the transfer of goods or services is expected to be entitled. The Company recognizes revenue when control of goods or services is transferred to the customer and performance obligations are satisfied. The transfer of control of a product means that the product has been delivered to the customer, the customer can decide the sales channel and price of a product in their entirety, and there are no outstanding obligations that will affect the customer's acceptance of the product. Delivery occurs when the product is shipped to a specific location, its obsolescence and risk of loss has been passed to the customer, and the customer has accepted the product in accordance with the sales contract; or when the acceptance clause has expired or when the Company has objective evidence that all acceptance conditions have been met.

(XVII) Government subsidies

When the Company receives government subsidies related to salaries and working capital subsidies, the unconditional grant is recognized as other income.

(XVIII) Employee benefits

1. Defined contribution plan

Contribution obligations to a defined contribution plan are recognized as expenses during the period during which an employee provides service.

2. Defined benefit plan

The Company's net obligation to the defined benefit plan is calculated by converting the future benefit amount earned by the employee's service in the current or previous period to the present value for each benefit plan and less the fair value of any plan assets.

Defined benefit obligations are actuated annually by a qualified actuary using the projected unit credit method. When the calculation result may be beneficial to the Company, recognized assets are limited to the present value of any economic benefits that would be available in the form of refunds of contributions from the program or reductions in future contributions to the program. Any minimum funding requirements are considered when calculating the present value of economic benefits.

Remeasurement of net defined benefit liability is immediately recognized in other comprehensive income and reflected in accumulated in retained earnings. This includes actuarial profit and loss, plan asset remuneration (excluding interest), and any change in the upper asset limit (excluding interest). The Company determines the net defined benefit liabilities (assets) and net interest expense (income), using the net defined benefit liabilities (assets) determined at the beginning of the annual reporting and the discount rate. Net interest expense and other expenses of defined benefit plans are recognized in profit or loss.

When a plan is revised or curtailed, the resulting change in benefits related to prior service costs or curtailment benefits or losses is immediately recognized in profit or loss. When settlement occurs, the Company recognizes the settlement gain or loss of the defined benefit plan.

3. Short-term employee benefits

Short-term employee benefit obligations are recognized as expenses when services are provided. If the Company has a current statutory or constructive payment obligation due to the employee's past services and the obligation can be reliably estimated, this amount is recognized as a liability.

(XIX) Income taxes

Income taxes include current income tax and deferred income tax. Current income tax and deferred income tax are recognized in profit or loss, except for those related to business combinations, items directly recognized in equity, or other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred income tax is recognized as a measure of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Temporary differences arising from the following situations are not recognized as deferred income tax:

1. Assets or liabilities originally recognized in a transaction that is not a business combination and that do not affect accounting profits and taxable income (loss) at the time of the transaction;
2. Temporary differences arising from invested subsidiaries, affiliates, and joint ventures where the Company can control the timing of the reversal of the temporary differences and it is probable that they will not be reversed in the foreseeable future; as well as
3. Taxable temporary differences arising from the original recognition of goodwill.

Unused tax losses and unused income tax credits are recognized as deferred tax assets to the extent that it is probable that future taxable income will be available to the extent that the deductible temporary differences are carried forward. Furthermore, it is reassessed on each reporting date and reduced to the extent that the relevant income tax benefit is not probable to be realized; or reverses the previously reduced amount to the extent that it becomes probable that sufficient taxable income will be available.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and deferred tax liabilities are offset only when the following conditions are met simultaneously:

1. They have the legal enforcement right to offset current income tax assets and current income tax liabilities; and
2. Deferred income tax assets and deferred income tax liabilities are related to one of the following taxpayers that are subject to income tax by the same tax authority;
   (1) The same taxpayer; or
   (2) Distinct taxpayers, but where each entity intends to settle current tax liabilities and assets on a net basis, or to realize assets and settle liabilities simultaneously, in each future period in which significant amounts of deferred tax assets are expected to be recovered and deferred tax liabilities are expected to be settled.

(XX) Earnings per share

The Company presents basic and diluted earnings per share attributable to holders of ordinary shares of the Company. Basic earnings per share of the Company is the profit or loss attributable to the holders of ordinary shares of the Company calculated by dividing by the weighted average number of ordinary shares outstanding for the period. Diluted earnings per share refers to the profit and loss attributable to the holders of the Company's ordinary shares and the weighted average number of ordinary shares outstanding, calculated after separately adjusting for the effect of all potential dilutive ordinary shares. The Company's potentially dilutive ordinary shares include employee remuneration.

(XXI) Segment information

The Company has disclosed departmental information in the consolidated financial statements. Therefore, parent company only financial statements do not disclose departmental information.

V. Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the financial statements in conformity with FSC-endorsed IFRS standards requires management to make judgments and estimates about the future, including climate-related risks and opportunities,that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively in the period of the change and future periods.

The parent company only financial statements involve significant judgment on whether the investee company Epoch Chemtronics Corp. involves substantial control, and this in turn has a significant impact on the amount recognized in the parent company only financial statements. For related information, please refer to the consolidated financial statements for 2024.

The parent company only financial statements contain no information such that the accounting policies involve significant estimates and assumptions that have a material impact on the amounts recognized in the parent company only financial statements.

VI. Explanation of significant accounts

(I) Cash and cash equivalents

	2024.12.31	2023.12.31
Cash	$ 541	$ 481
Demand deposits	461,107	275,901
Fixed deposits	145,139	73,692
	$ 606,787	$ 350,074

Please refer to Note 6 (23) for disclosure of exchange rate risk and sensitivity analysis of the Company's financial assets and liabilities.

(II) Financial assets at fair value through profit or loss－current

	2024.12.31	2023.12.31
Financial assets designated as at fair value through profit or loss:		
Gold passbook accounts	$ 273,000	127,624

Please refer to Note 6 (22) for the remeasurement of fair value.

(III) Financial assets at fair value through other comprehensive income

	2024.12.31	2023.12.31
Equity investments at fair value through other comprehensive income		
Current:		
Domestic TWSE listed company shares:		
Taiwan Cooperative Financial Holding Co., Ltd.	$ 1,411,364	1,498,317
Mega Financial Holding Company Limited	956,459	921,408
First Financial Holding Co.,Ltd.	808,844	793,979
Taiwan Business Bank	244,421	192,646
Taiwan Fertilizer Co., Ltd.	148,292	196,175
Cathay Financial Holdings Co., Ltd.	114,210	76,502
Chang Hwa Commercial Bank, Ltd.	164,710	152,890
	3,848,300	3,831,917
Non current:		
Domestic TWSE listed company shares:		
Hold-Key Electric Wire & Cable Co., Ltd.	499,139	345,639
Unlisted domestic common shares:		
Sol Young Enterprises Co., Ltd.	12,610	12,610
ICP Technology Co., Ltd.	3,032	3,032
Willide Optoelectronics Co., Ltd.	3,000	3,000
Tung Wah Electrical Engineering Co.Ltd., .	2,500	2,500
Zhihang Technology Co., Ltd.	10,000	-
HiTune Pqwer Engineering Co.,Ltd.	2,250	-
	33,392	21,142
	532,531	366,781
Total	$ 4,380,831	4,198,698

These equity instrument investments held by the Company constitute long-term strategic investments and are not held for trading purposes. They have therefore been designated as fair value through other comprehensive income.

The Company did not dispose of strategic investments in 2024 and 2023 and the accumulated gains and losses during these periods have not been transferred in equity.

For market risk information please refer to Note 6 (23).

(IV) Financial Assets Measured at Amortized Cost are Assets

	2024.12.31	2023.12.31
Time deposits with original maturities of over three months	$ 59,013-	-
Interest rate range (%)	4.20~5.08	-
Deposit Maturity Range	114/3~114/6	-

The Company assesses these assets as being held to maturity in order to receive their contractual cash flows, and the cash flows of these financial assets constitute in their entirety the payment of principal and interest on the outstanding principal amounts. They are therefore presented as financial assets measured at amortized cost.

As of December 31, 2024 and 2023, none of the aforementioned financial assets were pledged as collateral.

(V) Notes receivable and accounts receivable

	2024.12.31	2023.12.31
Notes receivable	$ 161,113	258,689
Notes receivable - related parties	34,821	-
Accounts receivable	42,923	139,240
Accounts receivable - related parties	3,167	53,540
Long-term notes receivable (Other Non-Current Assets)	24,622	25,390
Less: Loss allowance - notes receivable	(14,725)	(5,043)
Loss allowance - accounts receivable	(524)	(1,501)
Loss allowance - long-term notes receivable	(6,413)	(4,060)
	$ 244,984	466,255

The Company entered into an accounts receivable factoring agreement with CTBC Bank in November 2024. As agreed, the Company shall not bear the default risk of accounts receivable transferred but losses arising from disputes, and the bank shall offer a 90-percent credit risk protection while the Company shall not have any continuing involvement in the transferred accounts receivable. Therefore, the requirements of derecognition of financial assets were met. After the derecognition of accounts receivable, the debt receivable from the financial institution was recognized as other receivables.

As of December 31, 2024, the company had no accounts receivable sold. The details of the outstanding sold accounts receivable as of December 31, 2023, are as follows：

	2023.12.31					
Factor	**Amount derecognized**	**Advance amount available**	**Advance amount withdrawn**	**Amount reclassified as other receivables**	**Interest rate range**	**Other important matter**
CTBC Bank	2,286	39,149	-	2,286	-	None
	(USD74)	(USD1,275)		(USD74)		

As of December 31, 2024 and 2023, the credits approved for the accounts receivable factoring agreement between the Company and CTBC Bank were NTD49,178 thousand (USD1,500 thousand) and NTD46,058 thousand (USD1,500 thousand), respectively, the Company may withdraw advance up to 85% of the agreed facility.

As stated in the facility approval notice signed with the Shanghai Commercial & Savings Bank in 2023, the Company may withdraw advance up to 80% of the agreed facility from January 6 to August 30, 2023, the abovementioned accounts receivable factoring agreement expired on August 30, 2023.

The Company applies the simplified approach to provide for its expected credit losses for all notes and accounts receivable, i.e., using the measurement of expected credit loss during the period. To measure the expected credit losses, such notes receivable and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporating forward looking information, including macroeconomic and relevant industry information.Based on the consolidated company's historical experience of credit losses, there is no significant difference in loss patterns among different customer groups. Therefore, the provision matrix does not further distinguish between customer groups.

Analysis of expected credit losses of the Company's notes receivable and accounts receivable (excluding related parties) is as follows:

	2024.12.31		
	Carrying values of notes receivable and accounts receivable	**Expected Weighted average loss rate (%)**	**Allowance for expected credit loss during the period**
Current	$ 221,518	0.00~7.90	17,509
1 to 30 days past due	163	15.34	25
61 to 90 days past due	3,344	14.80	495
More than 180 days past due	3,633	100.00	3,633
	$ 228,658		**21,662**

	2023.12.31			
	Carrying values of notes receivable and accounts receivable		Expected Weighted average loss rate (%)	Allowance for expected credit loss during the period
Current	$	419,610	0.00~1.96	6,903
61 to 90 days past due		21	61.80	13
More than 180 days past due		3,688	100.00	3,688
	$	423,319		10,604

According to the contracts signed between the company and its clients, the company can only invoice the clients after the clients have received payment from their end customer, Taiwan Power Company. Some of the company's notes receivable, although due but not yet cashed, are listed under the non-overdue category because they are not yet eligible for invoicing. As of December 31, 2023, and December 31, 2024, the amounts of these due but not yet cashed notes receivable were NT$69,100 thousand, and NT$95,958 thousand, respectively.

According to historical experience, the Company accounts receivable due from related parties have experienced no credit losses, and we also consider that as of the balance sheet date, the accounts receivable due from related parties have not been overdue and there is no other indication that the credit quality of accounts receivable due from related parties has changed from the original credit dates.

The table of changes in loss allowance for notes receivable and accounts receivable of the Company is as follows:

	2024		2023
Opening balance	$	10,604	11,974
Provision for impairment loss		11,058	-
Impairment loss reversal		-	(1,370)
Ending balance	$	21,662	10,604

(VI) Other receivables(Including current and non-current)

	2024.12.31		2023.12.31
Current			
Finance lease receivable, net.	$	2,232	835
Other receivables		6,865	6,357
Other receivables - related parties		90	4,562
		9,187	11,754

	2024.12.31		2023.12.31
Non current (Other Non-Current Assets)			
Long-term finance lease receivable, net.	$	8,758	3,472
Long-term notes receivable		24,622	25,390
Long-term accounts		53,983	65,166
Less: Loss allowance－Long-term notes receivable		(6,413)	(4,060)
Loss allowance－Long-term accounts		(53,983)	(65,166)
		26,967	24,802
	$	36,154	36,556

The table of changes in loss allowance for other receivables and long-term receivables of the Company is as follows:

	2024	2023
Opening balance	$ 65,166	65,166
Impairment loss reversal	(11,183)	-
Ending balance	$ 53,983	65,166

Provision of impairment losses on long-term notes receivable please refer to Note 6 (5)

For other credit risk information please refer to Note 6 (23)

(VII) Inventory

	2024.12.31	2023.12.31
Raw materials	$ 180,610	171,525
Work in process	29,571	12,276
Finished products	26,706	9,850
Goods held in inventory	7,301	2,430
	$ 244,188	196,081

In addition to transferring inventory to operating costs due to normal sales in 2024 and 2023, other total expenses and losses directly included in operating costs are listed as follows:

	2024	2023
Inventory valuation and obsolescence loss (reversal gain)	$ (14,854)	(594)
Inventory obsolescence loss	468	19,919
Unamortized manufacturing overhead	14,273	12,276
Inclusion in operating costs	$ (113)	31,601

The reversal of previously recognized impairment and bad debt losses in 2024 is mainly due to the sale of inventories that have been provisioned for impairment and bad debt losses.

None of the Company's inventory was pledged as collateral as of December 31, 2024 and 2023.

(VIII) Investments accounted for using equity method

The Company’s financial information for investments accounted for using the equity method at the reporting date was as follows:

	2024.12.31	2023.12.31
Subsidiary	$ 1,011,649	953,899
Affiliated companies	389,980	348,778
	$ 1,401,629	1,302,677

1. Subsidiaries

Please refer to the 2024 consolidated financial statements.

2. Affiliated companies

Affiliates that are material to the Company consisted of the following:

Affiliated company name	Relationship with the Group	Main operating location / country of incorporation	Proportion of shareholding and voting rights	
			2024.12.31	2023.12.31
Epoch Chemtronics Corp. (Epoch)	Optical instrument manufacturing, etc.	Taiwan	23.75%	23.75%

Aggregated financial information of affiliated companies that are material to the Company are set forth below.

	2024.12.31	2023.12.31
Current assets	$ 2,865,790	2,865,841
Non-current assets	1,102,428	1,026,259
Current liabilities	(2,313,653)	(2,409,012)
Non-current liabilities	(100,351)	(102,345)
Net assets	$ 1,554,2143	1,380,743

	2024	2023
Operating revenue	$ 5,928,148	6,002,505
Profit from continuing operations	334,373	239,376
Other comprehensive income	26,227	(12,415)
Total comprehensive income	$ 360,600	226,961
Dividends received from affiliated companies	$ 44,441	32,321

	2024	2023
Share of net assets of the Company's affiliates on January 1	$ 327,931	$ 306,342
Comprehensive income (loss) attributable to the Company	85,643	53,902
Dividends received from affiliated companies	(44,441)	(32,321)
Changes in equity of investment in associates and joint ventures accounted for using equity method	-	8
Share of net assets of related companies attributable to the Company at period end	369,133	327,931
Add: Goodwill	20,847	20,847
Carrying amount of equity in affiliated companies attributable to the Company at period end	$ 389,980	348,778

The difference between the Company's equity and the carrying amount of the investment using the equity method mainly constitutes goodwill arising from the purchase of the investment at a premium when originally acquired.

3. Collateral

As of December 31, 2024 and 2023, none of the Company's investments using the equity method were pledged as collateral.

(IX) Property, plant and equipment

The cost, depreciation, and impairment loss of the property, plant and equipment of the Company for 2024 and 2023 were as follows:

	Land	Housing and construction	Machinery and equipment	Leased assets	Other equipment	Total
Cost or deemed cost:						
Balance as at January 1, 2024	$ 263,627	567,202	439,210	40,117	117,558	1,427,714
Addition	11,873	14,146	2,291	-	15,742	44,052
Reclassification(Note)	-	6,600	1,734	-	23,288	31,622
Disposal	-	-	(619)	-	(2,854)	(3,473)
Balance as at December 31, 2024	$ 275,500	587,948	442,616	40,117	153,734	1,499,915
Balance as at January 1, 2023	$ 263,627	566,533	554,046	39,837	108,318	1,532,361
Addition	-	669	4,688	280	9,240	14,877
Reclassification(Note)	-	-	525	-	-	525
Disposal	-	-	(120,049)	-	-	(120,049)
Balance as at December 31, 2023	$ 263,627	567,202	439,210	40,117	117,558	1,427,714
Depreciation and impairment loss:						
Balance as at January 1, 2024	$ -	471,564	529,844	14,784	94,183	1,011,535
Depreciation for the current period	-	8,640	5,996	8,605	7,173	30,414
Disposal	-	-	(619)	-	(2,506)	(3,125)
Balance as at December 31, 2024	$ -	480,204	421,399	32,539	104,682	1,038,824
Balance as at January 1, 2023	$ -	463,490	529,844	14,784	94,183	1,102,301
Depreciation for the current period	-	8,074	6,227	9,150	5,832	29,283
Disposal	-	-	(120,049)	-	-	(120,049)
Balance as at December 31, 2023	$ -	471,564	416,022	23,934	100,015	1,011,535
Carrying amounts:						
Balance as at December 31, 2024	$ 275,500	107,744	21,217	7,578	49,052	461,091
Balance as at December 31, 2023	$ 263,627	95,638	23,188	16,183	17,543	416,179

Note 1: Transferred from payments for prepaid equipment.

The Company as of December 31, 2024, for details of the long-term loan guarantee.please refer to Note 8.；The Company as of December 31, 2023, no pledges or collateral had been provided.

(X) Right of use assets

Changes in the cost, depreciation, and impairment losses of the land and buildings of the Company are detailed as follows:

		Housing and construction
Right of use asset costs:		
Balance as at December 31, 2024(i.e., balance as at January 1, 2024)	**$**	**81,141**
Balance as at January 1, 2023	$	79,457
Addition		1,684
Balance as at December 31, 2023	**$**	**81,141**
Right of use asset depreciation:		
Balance as at January 1, 2024	$	36,473
Depreciation for the current period		14,889
Balance as at December 31, 2024	**$**	**51,362**
Balance as at January 1, 2023	$	21,657
Depreciation for the current period		14,816
Balance as at December 31, 2023	**$**	**36,473**
Carrying amounts:		
Balance as at December 31, 2024	**$**	**29,779**
Balance as at December 31, 2023	**$**	**44,668**

(XI) Investment real estate

Investment real estate constitutes the Company's own assets. Changes in the cost, depreciation, and impairment losses investment real estate of the Company for 2024 and 2023 are detailed as follows:

		Land	Housing and construction	Total
Cost or deemed cost:				
Balance as at December 31, 2024 (i.e., balance as at January 1, 2024)	**$**	**69,908**	**7,174**	**77,082**
Balance as at December 31, 2023 (i.e., balance as at January 1, 2023)	**$**	**69,908**	**7,174**	**77,082**

Depreciation and impairment loss:

		Land	Housing and construction	Total
Balance as at January 1, 2024	$	-	1,075	1,075
Depreciation for the current period		-	180	180
Balance as at December 31, 2024	**$**	**-**	**1,255**	**1,255**
Balance as at January 1, 2023	$	-	896	896
Depreciation for the current period		-	179	179
Balance as at December 31, 2023	**$**	**-**	**1,075**	**1,075**

Carrying amount:			
Balance as at December 31, 2024	$ 69,908	5,919	75,827
Balance as at December 31, 2023	$ 69,908	6,099	76,007
Fair value:			
Balance as at December 31, 2024			$ 143,567
Balance as at December 31, 2023			$ 138,060

The fair value of the Company's investment real estate is valued by the Company with reference to market evidence of similar real estate transaction prices.

(XII) Intangible assets

Costs and amortization of the Company's intangible assets in 2024 and 2023 are detailed as follows:

	Computer software
Cost:	
Balance as at January 1, 2024	$ 6,138
Addition	610
Reclassification(Note)	520
Balance as at December 31, 2024	$ 7,268
Balance as at December 31, 2023 (i.e., balance as at January 1, 2023)	$ 6,138
Amortization and impairment loss:	
Balance as at January 1, 2024	$ 1,854
Amortization for the period	863
Balance as at December 31, 2024	$ 2,717
Balance as at January 1, 2023	$ 966
Amortization for the period	888
Balance as at December 31, 2023	$ 1,854
Carrying amounts:	
Balance as at December 31, 2024	$ 4,551
Balance as at December 31, 2023	$ 4,284

Note: Transferred from payments for prepaid equipment.

(XIII) Long-term borrowings

	2024.12.31		
	Interest rate range (%)	Maturity year	Amount
Long-term borrowings	2.220	120	$ 35,000
Less: Those maturing within one year			-
Total			$ 35,000
Unused long-term credit lines			$ -

On March 25, 2024, the consolidated company borrowed NT$35,000 thousand from the Bank of Taiwan, with the loan purpose restricted to the construction of solar power equipment.

The company agreed with the bank to use the solar power equipment as enhanced collateral for the long-term loan. The solar power generation equipment was completed in August 2024, Please refer to Note 8 for relevant mortgage and pledge information.

The company as of December 31, 2023, the company had no long-term borrowings.

(XIV) Lease liabilities

Book value of the Company's lease liabilities is as follows:

	2024.12.31	2023.12.31
Current	$ 15,055	14,860
Non current	15,252	30,307
	$ 30,307	45,167

For the maturity analysis, please refer to Note 6 (23).

Lease amounts recognized as profit or loss are as follows:

	2024	2023
Interest on lease liabilities	$ 499	687
Short-term lease expense	$ 739	753
Expenses relating to leases of low value assets(Low-value leases excluding short-term leases)	$ 36	15

Lease amounts recognized in the statements of cash flows are as follows:

	2024	2023
Total amount of net cash flows from operating activities	$ 1,274	1,455
Total amount net cash flows from financing activities	14,860	14,597
Total cash flows from leases	$ 16,134	16,052

The Company leased land and buildings as factories and office premises on December 31, 2024 and 2023. Land and building leases are usually for a period of five years with an option to extend for the same period as the original contract at the expiry of the lease term.

The Company leases some offices and transportation equipment for a period of one to three years. Such leases are leases of low value subject matter, and the Company has elected not to recognize right of use assets and lease liabilities for these leases.

(XV) Provisions

After-sales service provisions:

	2024	2023
Beginning balance as of January 1	$ 123,717	$ 86,204
Newly added provisions for the period	74,113	77,469
Current reversal provision	(89,995)	(39,956)
Ending balance as of December 31	$ 107,835	$ 123,717

Carrying amount of after-sales service provisions is as follows:

	2024.12.31	2023.12.31
Current	22,918	33,226
Non current	84,917	90,491
	$ 107,835	$ 123,717

Decommissioning, restoration, and rehabilitation costs - non current:

	2024	2023
Ending balance as of December 31(i.e., balance as at January 1)	$ 4,102	4,102

1. Liability provision for after-sales service is based on historical experience, management's judgment and other known reasons to estimate possible product returns, discounts and replacements, and it is recognized as cost of goods sold in the year when the related products are sold.
2. Decommissioning, restoration, and rehabilitation costs is to estimate the restoration cost of the leased plant that may occur in the future.

(XVI) Employee benefits

1. Defined benefit plan

Reconciliation between the present value of the Company's defined benefit obligations and the fair value of plan assets is as follows:

	2024.12.31	2023.12.31
Present value of defined benefit obligations	$ 17,101	$ 17,468
Fair value of plan assets	(12,692)	(11,524)
Non-current net defined benefit liability	$ 4,409	$ 5,944

The Company's defined benefit plan is transferred to labor retirement reserve accounts of the Bank of Taiwan. Retirement payments for each employee are subject to the Labor Standards Act; they are calculated on the basis of years of service and the average salary for the six months prior to retirement.

(1) Composition of plan assets

In accordance with the Labor Standards Act, the pension fund provided for by the Company is under the overall management of the Bureau of Labor Funds under the Ministry of Labor. In accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, the minimum income distributed in the annual final settlement for the use of the fund shall not be lower than the income calculated according to the two-year fixed deposit interest rate of local banks.

As of the reporting date, the balance of the Company's labor retirement reserve account at the Bank of Taiwan was NTD 12,692 thousand. Information on the use of assets of the labor pension fund includes fund yield and fund asset allocation; please refer to the information published on the website of the Bureau of Labor Funds.

(2) Changes in present value of defined benefit obligations

Changes in the present value of the Company's defined benefit obligations in 2024 and 2023 were as follows:

	2024	2023
Defined benefit obligations as at January 1	$ 17,468	16,493
Current service cost	-	-
Current interest	218	227
Remeasurement of net defined benefit liabilities (assets)		
- Actuarial gains and losses due to experience adjustments	(292)	283
- Actuarial gains and losses arising from changes in financial assumptions	(293)	465
Defined benefit obligations as at December 31	**$ 17,101**	**17,468**

(3) Changes in fair value of plan assets

Changes in the fair value of the Company's defined benefit plan assets in 2024 and 2023 were as follows:

	2024	2023
Fair value of identifiable plan net assets as at January 1	$ 11,524	11,156
Interest income	144	156
Remeasurement of net defined benefit liabilities (assets) - plan asset return (excluding current interest)	1,024	80
Amount allocated to the plan	-	132
Fair value of identifiable plan net assets as at December 31	**$ 12,692**	**11,524**

(4) Expenses recognized in profit or loss

Details of expenses reported by the Company in 2024 and 2023 are as follows:

	2024	2023
Current service cost	$ -	-
Net interest on net defined benefit liabilities	74	71
	$ 74	**71**

(5) Net defined benefit assets recognized in remeasurement of other comprehensive income (liabilities)

The Company's cumulative net defined benefit assets recognized in remeasurement of other comprehensive income (liabilities) are as follows:

	2024	2023
Cumulative balance as at January 1	$ 2,272	$ 2,940
Recognized this period	1,609	(668)
Cumulative balance as at December 31	**$ 3,881**	**$ 2,272**

(6) Actuarial assumptions

Significant actuarial assumptions used by the Company for the present value of the defined benefit obligations at the reporting date are as follows:

	2024.12.31	2023.12.31
Discount rate	1.500%	1.250%
Future salary increases	2.500%	2.500%

The Company expects a provision amount paid to defined benefit plan of $0 thousand within one year after the 2024 annual report date.

The weighted average duration of the defined benefit plan is 6.8 years.

(7) Sensitivity analysis

The impact of changes in key actuarial assumptions when applied at 31 December 2024 and 2023 on the present value of the defined benefit obligations is as follows:

	Impact on defined benefit obligations	
	0.25% increase	**0.25% decrease**
December 31, 2024		
Discount rate (change of 0.25%)	(284)	293
Future salary adjustments (change of 0.25%)	286	(278)
December 31, 2023		
Discount rate (change of 0.25%)	(317)	329
Future salary adjustments (change of 0.25%)	320	(310)

The above sensitivity analysis is based on the analysis of the impact of a change in a single assumption while other assumptions remain unchanged. In practice, many changes in assumptions may be linked. The sensitivity analysis is consistent with the methodology used to calculate the net defined benefit liability on the balance sheet.

The methods and assumptions used in the preparation of the sensitivity analysis in this period are the same as those in the previous period.

2. Defined contribution plan

The Company's defined contribution plan is in accordance with the provisions of the Labor Pension Act. Transfers are made to individual labor pension accounts established by the Bureau of Labor Insurance in line with the contribution rate of 6% of monthly employee salaries. Under this setup, after the Company has provided a fixed amount to the Bureau of Labor Insurance, there is no statutory or constructive obligation to pay an additional amount.

Pension expenses under the Company's 2024 and 2023 defined pension appropriation measures are NTD 5,117 thousand and NTD 5,047 thousand respectively, which have been allocated to the Bureau of Labor Insurance.

(XVI) Income taxes

1. The Company's 2023 and 2021 income tax expenses (benefits) are detailed as follows:

	2024	2023
Current income tax expense		
Current period	$ 12,671	$ 10,866
Underestimation of income tax benefit for prior years	(88)	(39)
	12,583	10,827
Deferred tax expense (benefit)		
Occurrence and reversal of temporary differences	(5,336)	(59,619)
Income tax benefit	$ 7,247	(48,792)

Income tax benefit (expense) recognized by the Company under other comprehensive income in 2024 and 2023 are detailed as follows:

	2024	2023
Components of other comprehensive income that will not be reclassified to profit or loss:		
Remeasurement of defined benefit plan	$ (322)	134

The Company's 2024 and 2023 income tax expenses (benefits) and reconciliation with net profit before tax are detailed as follows:

	2024	2023
Net profit before tax	$ 727,690	518,742
Income tax calculated at the domestic tax rate of the Company's location	$ 145,538	103,748
Tax-exempt dividend income	(25,886)	(20,002)

Valuation loss (gain) of financial assets	(9,154)	(2,675)
Gain in investments accounted for using the equity method	(26,946)	(20,212)
Realized Equity method investment loss	-	(494,118)
Non-deductible expenses	3,951	3,111
Impact of loss carryforward on tax liability	(90,922)	370,356
Tax difference in depreciation expenses	320	173
Previous underestimation	(88)	(39)
Undistributed surplus earnings	12,670	10,866
Other	(2,236)	-
Total	$ 7,247	(48,792)

2. Deferred tax assets and liabilities

(1) Unrecognized deferred tax assets

Items not recognized as deferred tax assets by the Company are as follows:

	2024.12.31	2023.12.31
Temporary differences that can be deducted	$ 1,025,297	1,130,559
Tax loss	2,804,235	3,265,759
	$ 3,829,532	4,396,318

Taxable losses are subject to the provisions of the Income Tax Act. As approved by the tax collection authority, losses for the previous ten years may be deducted from the net profit of the current year to re-assess income tax. These items are not recognized as deferred tax assets. This is because it is not probable that the Company will have sufficient taxable income for the temporary difference in the future.

As of December 31, 2024, the Company has not yet recognized tax losses as deferred tax assets. The deduction period is as follows:

Year of loss	Loss not yet deducted	The last year for which the deduction can be made
2016 approved number	$ 26,466	2026
2017 approved number	808,806	2027
2018 approved number	7,359	2028
2023 estimate number	1,961,604	2033
Total	$ 2,804,235	

(2) Deferred tax assets and liabilities recognized

Changes in deferred tax assets and liabilities for 2024 and 2023 were as follows:

Deferred tax assets:

	Inventory allowance for impairment losses	Expected credit impairment losses	After-sales service liability provision	loss carryforward on tax liability	Other	Total
January 1, 2024	$ 10,477	1,422	24,743	52,570	1,264	90,476
Credit (debit) profit and loss	(2,971)	2,269	(3,176)	8,444	15	4,581
Credit to other comprehensive income	-	-	-	-	(322)	(322)
December 31, 2024	**$ 7,506**	**3,691**	**21,567**	**61,014**	**957**	**94,735**
January 1, 2023	$ 10,596	1,794	17,241	-	1,143	30,774
Credit (debit) profit and loss	(119)	(372)	7,502	52,570	(13)	59,568
Credit to other comprehensive income	-	-	-	-	134	134
December 31, 2023	**$ 10,477**	**1,422**	**24,743**	**52,570**	**1,264**	**90,476**

Deferred tax liabilities:

	Foreign exchange gains
January 1, 2024	$ 881
Debit (credit) profit and loss	(755)
December 31, 2024	**$ 126**
January 1, 2023	$ 932
Debit (credit) profit and loss	(51)
December 31, 2023	**$ 881**

3. Income tax approval status

The Company's tax returns for the years through 2021 were examined and approved by the tax authority.

(XVIII) Capital and other equity

1. Issuance of ordinary shares

As at December 31, 2024 and 2023, the Company's total authorized capital stock is NTD 2,000,000 thousand and the par value of each share is NTD 10. Total issued shares amount to 151,328 thousand shares.

2. Capital reserve

The balance of the Company's capital reserve is as follows:

	2024.12.31	2023.12.31
Additional paid-in capital - may be used to compensate for losses, distributed in cash, or recapitalized.	$ 1,783,430	1,859,093
Additional paid-in capital may be used - only to compensate for prior losses.	50,804	50,804
Changes in the net equity value of affiliated companies recognized under the equity method	13,642	13,642
Employee stock options	2,321	2,321
	$ 1,850,197	$ 1,925,860

In accordance with provisions of the Company Act, after capital reserve is given priority to cover losses, it may be issued to new shares or cash in proportion to the shareholders' original shares in the form of realized capital gains. Realized capital gains as mentioned in the preceding paragraph includes excess from the issuance of shares in excess of par value as well as grants received. In accordance with provisions of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the total amount of capital reserves that can be used as capital shall not exceed 10% of the paid-in capital.

3. Retained earnings

According to the provisions of the earnings distribution policy of the Articles of Incorporation of the Company, if there is a surplus in the annual final accounts, taxes should first be paid to offset any prior deficit, and 10% is to be subsequently set aside as legal reserve. In addition, in accordance with the provisions of Article 41, Paragraph 1 of the Securities and Exchange Act, for the deduction amount of shareholders' equity incurred in the current year, the same amount of special reserve shall be set aside from the after-tax surplus earnings of the current year and the undistributed surplus earnings of the previous period. For the deduction amount of other shareholders' equity accumulated in the previous period, the special reserve of the same amount shall not be distributed from the undistributed surplus earnings in the previous period. In the event of a subsequent reversal of the amount of the deduction of shareholders' equity,earnings may be distributed to the reversed portion.

In addition, and in accordance with the Articles of incorporation of the Company, the dividend policy of the Company is based on current and future development plans while considering the investment environment, capital needs, and the domestic and foreign competitive environment, and takes into account the interests of shareholders and other factors. Each year, no less than 20% of the distributable surplus shall be allocated for distribution to shareholders as dividends and bonuses; but when the accumulated distributable surplus is less than 100% of paid-in capital, it may not be distributed.

(1) Legal reserve

When the Company has no losses, then subject to a resolution of the shareholders' meeting there may be issuance of new shares or cash with the legal reserve. However, this is limited to the portion of the reserve exceeding 25% of the paid-in capital.

(2) Earnings distribution

At its respective General Meetings of Shareholders on May 27, 2024 and May 31, 2023, the Company passed corresponding resolutions for 2023 and 2022, announcing cash dividends from capital reserve and earnings distribution with the amounts of cash dividends being as follows:

		2023	2022
Dividends distributed to owners of ordinary shares:			
Cash - retained earnings	$	226,992	151,328
Cash - capital reserve		75,663	75,664
	$	**302,655**	**226,992**
Distribution rate in NT dollars (NTD)	**$**	**2.00**	**1.50**

Information on the distribution of earnings as resolved by the Company's shareholders' meeting can be inquired through the Market Observation Post System.

On February 27, 2025, the board of directors of the company proposed a profit distribution plan for 2024. The following is the amount of dividends to be distributed to shareholders：

	2024		
	Dividend yield (yuan)		Amount
Dividends distributed to owners of ordinary shares:			
Cash - retained earnings	$ 1.50		226,991
Cash - capital reserve	1.50		226,991
Total		**$**	**453,982**

4. Other equity (net of tax)

	Exchange differences on translation of foreign financial statements	Unrealized valuation gains (losses) on financial assets at fair value through other comprehensive income	Total
Balance as at January 1, 2024	$ 10,401	1,799,695	1,810,096
Exchange differences on translation of foreign financial statements	53,520	-	53,520
Share of other comprehensive income of subsidiaries, affiliates, and joint ventures recognized using the equity method	6,098	-	6,098
Unrealized valuation gains and losses on financial assets at fair value through other comprehensive income	-	134,375	134,375
Balance as at December 31, 2024	$ 70,019	1,934,070	2,004,089
Balance as at January 1, 2023	$ 13,527	1,174,206	1,187,733
Exchange differences on translation of foreign financial statements	(130)	-	(130)
Share of other comprehensive income of subsidiaries, affiliates, and joint ventures recognized using the equity method	(2,996)	-	(2,996)
Unrealized valuation gains and losses on financial assets at fair value through other comprehensive income	-	625,489	625,489
Balance as at December 31, 2023	$ 10,401	1,799,695	1,810,096

(XIXI) Earnings per share

Basic EPS and diluted EPS for 2024 and 2023 are calculated as follows:

Unit: Thousand shares

	2024	2023
Basic EPS:		
Net profit attributable to holders of ordinary shares of the Company	$ 720,443	567,534
Weighted average number of ordinary shares outstanding	151,328	151,328
Basic EPS (Unit: New Taiwan Dollars)	$ 4.76	3.75
Diluted EPS:		
Net profit attributable to holders of ordinary shares of the Company	$ 720,443	567,534
Weighted average number of ordinary shares outstanding	151,328	151,328
Effect of dilutive potential ordinary shares		
Employees' compensation	280	329
Weighted average number of ordinary shares outstanding (diluted)	151,608	151,657
Diluted EPS (Unit: New Taiwan Dollars)	$ 4.75	3.74

(XX) Revenue from contracts with customers

1. Details of revenue

		2024		
		Optoelectronics Division	Electromechanical Division	Total
Principal regional markets:				
Asia	$	90,491	19,773	110,264
Americas		38,353	-	38,353
Taiwan		161,472	1,273,053	1,434,525
	$	290,316	1,292,826	1,583,142

		2023		
		Optoelectronics Division	Electromechanical Division	Total
Principal regional markets:				
Asia	$	108,769	13,325	122,094
Americas		38,966	-	38,966
Taiwan		240,434	1,244,063	1,484,497
	$	388,169	1,257,388	1,645,557

2. Contract balances

		2024.12.31	2023.12.31	2023.1.1
Notes receivable	$	161,113	258,689	113,919
Notes receivable -related parties		34,821	-	-
Accounts receivable		42,923	139,240	96,903
Accounts receivable - related parties		3,167	53,540	24,026
Long-term notes receivable (Other Non-Current Assets)		24,622	25,390	-
Less: Loss allowance－notes receivable		(14,725)	(5,043)	(10,967)
Loss allowance - accounts receivable		(524)	(1,501)	(1,007)
Loss allowance - long-term notes receivable		(6,413)	(4,060)	-
Total	$	244,984	466,255	222,874
Contract Liabilities - Merchandise Sales	$	2,120	4,892	5,579

Please refer to Note 6 (5) for disclosure of notes and accounts receivable and their impairment.

The opening balances of contract liabilities on January 1, 2024 and 2023 were recognized as revenue in 2024 and 2023, amounting to NTD 4,240 thousand and NTD 4,621 thousand respectively.

(XXI) Remuneration of employees and directors

According to the Articles of Incorporation of the Company, if there is profit for the year then not less than 2% shall be set aside for employees’ remuneration and not more than 1.5% shall be set aside as remuneration for directors. However, when the Company still has accumulated losses, it should reserve the compensatory amount in advance. Stock or cash may be distributed to persons to whom employee remuneration is to be distributed as in the preceding paragraph, including employees of controlling or subordinate companies meeting certain conditions.

The Company’s estimated amounts of employee remuneration for 2024 and 2023were NTD 15,123 thousand and NTD 10,751 thousand respectively. The corresponding estimated amounts for directors' remuneration were NTD 11,311 thousand and NTD 8,063 thousand. The estimated amounts mentioned above are calculated based on net profit before tax of the Company, excluding remuneration to employees and directors, and multiplied by the percentage of remuneration to employees and directors as stipulated in the Company’s Articles of Incorporation. These remunerations were reported under operating expenses. The differences between the actual distributed amounts, as determined by the Board of Directors, and those recognized in the financial statements, if any, shall be accounted for as changes in accounting estimates and recognized in profit or loss in the following year. Relevant information can be inquired through the Market Observation Post System. If the Board of Directors decides to pay employee compensation in stock, the numbers of shares to be distributed were calculated based on the closing price of the Company’s shares one day before the date of the decision of the Board of Directors. If the actual amount of dividends distributed in the next year is different from the estimated amount, it will be treated as a change in accounting estimate, and the difference will be recognized in the next year's income statement.

The amount of employee and director remuneration resolved by the aforementioned board of directors is the same as the estimated amount in the individual financial statements of the company for 2024 and 2023. For details, see the Market Observation Post System (MOPS).

(XXV) Non-operating revenue and expenses

1. Interest income

Details of the interest income of the Company are as follows:

	2024	2023
Bank deposit interest	$ 6,626	3,713
Other Interest income	435	196
	$ 7,061	**3,909**

2. Other income

Details of other income of the Company are as follows:

		2024	2023
Lease income	$	2,617	2,191
Dividend income		129,430	100,008
Other income		13,660	6,850
	$	**145,707**	**109,049**

3. Other gains and losses

Other gains and losses of the Company are detailed as follows:

		2024	2023
Proceeds from disposal of property, plant and equipment	$	895	1,175
Foreign currency exchange loss, net		(3,209)	(2,005)
Gain (loss) on financial assets at fair value through profit or loss		45,768	13,377
Investment real estate depreciation expense		(180)	(179)
Other		(104)	(253)
	$	**43,170**	**12,115**

4. Finance costs

The finance costs of the Company are detailed as follows:

		2024	2023
Bank loans	$	595	-
Lease liabilities		499	687
Other		11	6
	$	**1,105**	**693**

(XXIII) Financial instruments

1. Credit risk

(1) Credit risk exposure

The carrying amount of financial assets represents the maximum credit risk exposure amount.

(2) Concentration of credit risk

Among the balances of accounts receivable and notes receivable of the Company as at 31 December 2024 and 2023, three major customers accounted for 77% and 67% respectively.

(3) Credit risk on receivables and financial assets at amortized cost

For credit risk exposure of notes receivable and accounts receivable, please refer to Note 6 (5). For credit risk exposure of other receivables and long-term receivables, please refer to Note 6 (6). Other receivables, long-term receivables and other financial assets measured at amortized cost are financial assets with low credit risk. The loss allowance for that period is therefore measured at the twelve-month expected credit loss amount.

2. Liquidity risk

The Company manages and maintains sufficient cash and cash equivalents to support the Company's operations and mitigate the impact of fluctuations in cash flow. The Company's management supervises the use of bank financing lines and ensures compliance with terms of the loan contracts.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years	More than 5 years
December 31, 2024						
Non derivative financial liabilities						
Accounts payable (including related parties)	$ 276,585	276,585	276,585	-	-	-
Other payables	218,383	218,383	218,383	-	-	-
Long-term borrowings	35,000	38,140	777	777	26,236	10,350
Lease liabilities	30,307	30,718	15,359	15,359	-	-
Deposits received	1,122	1,122	1,122	-	-	-
Other non-current liabilities	65,456	65,456	65,456	-	-	-
	$ 626,853	630,404	577,682	16,136	26,236	10,350
December 31, 2023						
Non derivative financial liabilities						
Accounts payable (including related parties)	$ 311,444	311,444	311,444	-	-	-
Other payables	206,989	206,989	206,989	-	-	-
Lease liabilities	45,167	46,077	15,359	15,359	15,359	-
Deposits received	613	613	25	220	368	-
Other non-current liabilities	61,303	61,303	-	-	-	61,303
	$ 625,516	626,426	533,817	15,579	15,727	61,303

The Company does not expect that the cash flows included in the maturity analysis could occur significantly earlier or in significantly different amounts.

3. Exchange rate risk

(1) Exposure to exchange rate risk

The Company’s financial assets and liabilities exposed to foreign currency exchange rate risk were as follows:

	2024.12.31			2023.12.31		
	Foreign currency	Exchange rate	New Taiwan Dollar	Foreign currency	Exchange rate	New Taiwan Dollar
Financial assets						
Monetary items						
US Dollar	$ 6,616	32.7850	216,913	8,454	30.7050	259,578
JPY	238,904	0.2099	50,146	132,923	0.2172	28,871
Financial liabilities						
Monetary items						
US Dollar	7,183	32.7850	235,504	7,038	30.7050	216,115

(2) Sensitivity analysis

The Company’s exposure to exchange rate risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable (including related parties), accounts payable (including related parties), and other payables that are denominated in foreign currency. As at December 31, 2024 and 2023, if the TWD, when compared with the USD and JPY, had appreciated or depreciated 5% with all other factors remaining constant, then net profit before tax for 2024 and 2023 would have respectively increased or decreased by approximately NTD 1,578 thousand and NTD 3,617 thousand. The analysis is performed on the same basis for both periods.

(3) Exchange gains and losses on monetary items

Due to the wide variety of foreign currency transactions of the Company, gains or losses on foreign exchange are summarized as a single amount. Foreign currency exchange gains and (losses) (including both realized and unrealized) in 2024 and 2023 were approximately NTD 3,209 thousand and NTD 2,005 thousand, respectively.

4. Interest rate risk

The interest rate risk of the company's financial assets is explained in the financial risk management section of this note.

The company's major financial assets that are sensitive to interest rates are term deposits.   calculated at floating interest rates. However, after assessing their increase and decrease, the change is not large, so it will not cause a significant cash flow risk to the company.

5. Other market price risk

Sensitivity analyses for changes in securities prices vs. impact on items of comprehensive income at the reporting date are shown as follows (the analysis is performed on the same basis for both periods and assuming other variables remain constant):

Price of securities at reporting date	2024	2023
Up 5%	$ 219,042	209,935
Down 5%	$ (219,042)	(209,935)

6. Fair value information

(1) Hierarchy and fair value of financial instruments

The Company's financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are measured at fair value on a recurring basis. The carrying amount and fair value of each category of financial assets and liabilities, including the information on fair value hierarchy were as follows; however, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value and of lease liabilities, disclosure of fair value information is not required by the regulations:

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	2024.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	$ 273,000	273,000	-	-	273,000
Financial assets at fair value through other comprehensive income					
Domestic TWSE (TPEx) listed shares	4,347,439	4,347,439	-	-	4,347,439
Equity instruments without an active market measured at fair value	33,392	-	-	33,392	33,392
Subtotal	4,380,831	4,347,439	-	33,392	4,380,831
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 606,787	-	-	-	-
Financial assets measured at amortized cost - current	59,013	-	-	-	-
Notes receivable and accounts receivable (including related parties)	226,775	-	-	-	-
Other receivables(including non-current)	17,855	-	-	-	-
Other receivables - related parties	90	-	-	-	-
Long-term notes receivable	18,209	-	-	-	-
Refundable deposits	5,067	-	-	-	-
Subtotal	933,796	-	-	-	-
Total	$ 5,587,627	4,620,439	-	33,392	4,653,831
Financial liabilities measured at amortized cost					
Accounts payable (including related parties)	$ 276,585	-	-	-	-
Other payables	218,383	-	-	-	-
Long-term borrowings	35,000	-	-	-	-
Lease liabilities	30,307	-	-	-	-
Deposits received	1,122	-	-	-	-
Other non-current liabilities	65,456	-	-	-	-
Total	$ 626,853	-	-	-	-

	2023.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	$ 127,624	127,624	-	-	127,624
Financial assets at fair value through other comprehensive income					
Domestic TWSE (TPEx) listed shares	4,177,556	4,177,556	-	-	4,177,556
Equity instruments without an active market measured at fair value	21,142	-	-	21,142	21,142
Subtotal	4,198,698	4,177,556	-	21,142	4,198,698
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 350,074	-	-	-	-
Notes receivable and accounts receivable (including related parties)	444,925	-	-	-	-
Other receivables (including non-current)	10,664	-	-	-	-
Other receivables - related parties	4,562	-	-	-	-
Long-term notes receivable	21,330	-	-	-	-
Refundable deposits	5,324	-	-	-	-
Subtotal	836,879	-	-	-	-
Total	**$ 5,163,201**	**4,305,180**	**-**	**21,142**	**4,326,322**
Financial liabilities measured at amortized cost					
Accounts payable (including related parties)	$ 311,444	-	-	-	-
Other payables	206,989	-	-	-	-
Lease liabilities	45,167	-	-	-	-
Deposits received	613	-	-	-	-
Other non-current liabilities	61,303	-	-	-	-
Total	**$ 625,516**	**-**	**-**	**-**	**-**

(2) Valuation techniques for financial instruments measured at fair value—non-derivative financial instruments

If there is a quoted market price in an active market for a financial instrument, the fair value is based on the quoted market price in an active market. The market price announced by the major exchanges for all listed (over-the-counter) equity instruments taken as the basis for fair value.

Among financial instruments held by the Company, the stocks of listed (over-the-counter listed) companies and gold passbook accounts are financial assets with standard terms and conditions and are traded in the active market, and their fair values are determined by reference to market quotations.

Except for the above-mentioned financial instruments for which there is an active market, the fair values of other financial instruments are based on valuation techniques. Fair value obtained through valuation techniques may refer to the current fair value of other financial instruments with substantially similar conditions and characteristics, discounted cash flow methods, or other valuation techniques including those calculated using models based on market information available at the balance sheet date.

Financial instruments held by the Company constitute equity instruments without an active market that are not publicly quoted and are measured at fair value. Fair value is estimated using the market comparables approach as well as net asset value. The main assumptions of the market comparables approach are based on the after-tax net profit or equity net worth of the investee and the earnings or book value multipliers derived from market quotations of comparable listed companies. This estimate has been adjusted for the discounting effect of the lack of market liquidity of the equity securities. Because the amount of equity investment estimated by the Company using the market comparable company method and net asset value to estimate the fair value is not significant, there is no intention to disclose quantitative information.

(XXIV) Financial risk management

The Company's financial management department provides services for each business units including overall coordination of access to domestic and international financial market operations, supervision and management of financial risks related to the Company's operations through internal risk reports that analyze exposure in accordance with risk procedures and breadth. Such risks include market risk (including exchange rate risk, interest rate risk, and other price risk), credit risk, and liquidity risk.

The Company avoids exposure to risk through derivative financial instruments to mitigate the impact of these risks. The use of derivative financial instruments is regulated by the policies adopted by the Board of Directors of the Company, which are written principles of exchange rate risk, interest rate risk, credit risk, and the use of derivative financial instruments. Internal auditors continually review policy compliance and exposure limits. The Company does not trade in financial instruments for speculative purposes (including derivative financial instruments).

1. Credit risk

Credit risk refers to the risk of financial losses by the Company caused by a counterparty defaulting on its contractual obligations. As of the balance sheet date, the Company's largest credit risk exposure for financial losses arising from a counterparty's failure to perform its obligations is mainly from the book values of financial assets recognized in the balance sheet.

The policy adopted by the Company is to only deal with reputable parties, and, if necessary, obtain sufficient guarantee to reduce the risk of financial loss due to default. The Company continuously monitors the credit risk insurance and the credit ratings of counterparties and distributes the total transaction amounts to customers with qualified credit ratings. The credit risk is controlled through the counterparty's credit limit, which is reviewed and approved by the Company's most competent personnel every year.

The Company continuously evaluates the financial status of accounts receivable customers. The Company has no significant credit exposure to any single counterparty or any group of counterparties with similar characteristics. When the counterparty to a transaction is an affiliated company, the Company defines it as a counterparty with similar characteristics. The Company has no significant concentration of credit risk.

2. Liquidity risk

The Company manages and maintains sufficient cash and cash equivalents to support the Group's operations and mitigate the impact of fluctuations in cash flows. The Company's management supervises the use of bank financing lines and ensures compliance with terms of the loan contracts.

The Company's working capital is sufficient to cover its needs; therefore, there is no liquidity risk due to an inability to raise funds to fulfill contractual obligations.

Bank borrowings are an important source of liquidity for the company. As of December 31, 2024 and 2023, the unused bank financing limits for the consolidated company were NT$1,657,915 thousand and NT$1,417,731 thousand, respectively.

3. Market risk

Market risk refers to changes in market prices such as changes in exchange rates, interest rates, and equity instrument prices, and the risk that this affects the Company's income or the value of financial instruments held. The objective of market risk management is to control the exposure of market risks within an acceptable range and optimize the return on investment.

(1) Currency risk

The Company is exposed to exchange rate risks arising from sales, purchases, fixed deposits and borrowing transactions that are not denominated in the functional currency of the Company. The functional currency of the Group companies is mainly New Taiwan Dollars. The main denomination currencies for these transactions are New Taiwan Dollars, US Dollars, and Renminbi.

There is no significant difference or significant change in the receivables and payables of the Company. Therefore, the Company currently adopts natural hedging as the main exchange rate avoidance policy in terms of exchange rate risk.

(2) Interest rate risk

The Company's financial assets with fair value risk from changes in interest rates are bank deposits; financial liabilities are short-term borrowings, but the impact on the fair value of the relevant financial assets due to changes in interest rates is not material.

(3) Other market price risk

The Company's holdings of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are invested in domestic gold passbook accounts as well as domestic TWSE and TPEx listed company stocks. Because they are measured at fair value, the Company will be exposed to the risk of changes in the market prices of equity securities. We thus prudently select investment targets and control the positions held for the sake of managing market risk.

(XXV) Capital management

The Company's capital risk management policy is based on the existing and possible future assets, liabilities and capital structure, taking moderate risks, and earning reasonable profits for shareholders. The goal is to achieve an ideal balance between risk control and business development and to optimize shareholder value.

In addition to appropriating legal reserve and special reserve according to law, the Company retains surplus funds and capital increase premium funds for plant expansion and operating turnover. The debt ratio is controlled below 30%, and we maintain adequate asset liquidity.

(XXVI) Investing and financing activities not affecting current cash flow

The Company's investing and financing activities not affecting current cash flow in 2024 and 2023 were as follows:

1. For acquisition of the right-of-use asset by leasing, please refer to Note 6 (10).
2. Reconciliation of liabilities from financing activities is as follows:

			Non cash changes		
	2024.1.1	**Cash flows**	**Addition**	**Disposal and Remeasurement Contracts in the Current Period**	**2024.12.31**
Lease liabilities	$ 45,167	(14,860)	-	-	30,307
Long-term borrowings	-	35,000	-	-	35,000
Total liabilities from financing activities	**$ 45,167**	**20,140**	**-**	**-**	**65,307**

			Non cash changes		
	2023.1.1	**Cash flows**	**Addition**	**Disposal and Remeasurement Contracts in the Current Period**	**2023.12.31**
Total liabilities from financing activities(Lease liabilities)	**$ 58,080**	**(14,597)**	**1,684**	**-**	**45,167**

VII. Related party transactions

(I) Names and relationship with related parties

Related parties having transactions with the Company during the period covered by the parent company only financial statements are as follows:

Name of related party	Relationship with the Company
Young Fast (SAMOA) Co., Ltd. (Young Fast Samoa)	Subsidiaries of the Company
Young Fast Optoelectronics (VIETNAM) Co., Ltd. (Young Fast Vietnam)	Subsidiaries of the Company
Tengyang Optoelectronics (Huizhou) Co., Ltd. (Tengyang Optoelectronics)	Subsidiaries of the Company
Taiwan SRU Corporation Limited (Taiwan SRU)	Subsidiaries of the Company
Epoch Chemtronics Corp (Epoch)	Associate of the Company
Luminous Optical Technology Co., Ltd. (Luminous Optical Technology)	Other related parties (de facto related parties)
Hold-Key Electric Wire & Cable Co., Ltd. (Hold-Key)	Other related parties (major shareholders of the Company)

(II) Significant transactions with related parties

1. Operating revenue

The Company's significant sales amounts with related parties are as follows:

Related party	2024	2023
Subsidiaries of the Company	$ 7,343	7,473
Hold-Key	186,500	266,638
	$ 193,843	274,111

The prices and payment terms of Company's sales to the above-mentioned related parties are not significantly different from those of general customers. In addition, Company does not provide similar processing services to other customers for the processing income of related parties, so there is no general customer for comparison of the transaction price. The payment terms are negotiated by both parties.

2. Purchase

Amounts of purchase and provide labor services between the Company and related parties are as follows:

Related party	2024	2023
Young Fast Vietnam	$ 214,684	249,879
Taiwan SRU Corp.	276,537	298,010
Tengyang Optoelectronics	4,248	3,613
Associate of the Company	-	1,341
	$ 495,469	552,843

The Company has not purchased similar products from other manufacturers or commissioned other manufacturers to provide similar labor services, there is no general manufacturer for comparison of the above transaction prices. However, the payment terms are not significantly different from those of general manufacturers.

3. Receivables from related parties

Details of the Company's receivables from related parties are as follows:

Accounts	Related Party Category/Name	2024.12.31	2023.12.31
Notes receivable - related parties	Hold-Key	$ 34,821	-
Accounts receivable -related parties	Hold-Key	2,124	52,028
	Subsidiaries of the Company	1,043	1,512
	Subtotal	3,167	53,540
Other receivables- related parties	Young Fast Vietnam	90	4,562
		$ 39,078	**58,102**

As of December 31, 2024 and 2023, none of the above accounts receivable and other receivables has any loss allowance.

4. Payable to related parties

Details of the Company's payables to related parties are as follows:

Accounts	Related Party Category/Name	2024.12.31	2023.12.31
Accounts receivable -related parties	Young Fast Vietnam	$ 140,591	112,892
	Taiwan SRU Corp.	37,154	94,500
	Other related parties	-	425
	Subtotal	177,745	207,817
Other payables	Young Fast Vietnam	-	75
	Taiwan SRU Corp.	11	-
	Other related parties	693	816
	Subtotal	704	891
		$ 178,449	**208,708**

5. Lease expenses

In March 2023, the Company leased a parking lot from Hold-Key and signed a lease contract for about four years. In addition, in April 2022, the Company renewed its five-year factory lease contract with Hold-Key. The total value of the contract is NTD 72,544 thousand. The above rents were negotiated based on the agreed prices between the two parties and the rent prices in the neighboring areas. The interest expense recognized by the Company for the above lease liabilities in December 31, 2024 and 2023, was NTD 499 thousand, and NTD 687 thousand. The balances of unpaid lease liabilities as of December 31, 2023 and December 31, 2024 was NTD 30,307 thousand and NTD 45,167 thousand.

6. Endorsements guarantees provided

The amounts of endorsements guarantees by the Company to related parties is as follows:

	2024.12.31		2023.12.31	
Related party	**Endorsement /guarantee amount**	**Usage amount**	**Endorsement /guarantee amount**	**Usage amount**
Subsidiary				
Young Fast Vietnam	$ 209,824	2,920	196,512	2,735
Young Fast Samoa	229,495	-	307,750	-
Total	$ 439,319	2,920	503,562	2,735

The Company's unutilized bank facilities shared with subsidiaries as at December 31, 2024 and 2023 amounted to NTD 436,399 thousand and NTD 500,827 thousand respectively.

(III) Remuneration of key management personnel

Remuneration of key management personnel

	2024	2023
Short-term employee benefits	$ 49,492	45,463
Retirement benefits	415	366
	$ 49,907	45,829

VIII. Pledged assets ：

The details of the book value of the assets pledged and guaranteed by the merged company are as follows:

Assets	Pledge Guarantee subject	2024	2023
Property, plant and equipment	Long-term borrowings	$ 40,983	$ -

IX. Significant commitments and contingencies

Amounts of unused standby letters of credit that the Company has issued for the purchase of raw materials and machinery and equipment are as follows:

	2024.12.31		2023.12.31	
JPY	JPY	72,474	JPY	-
USD	USD	35	USD	137
NTD	NTD	261	USD	-

X. Losses Due to Major Disasters: None.

XI. Subsequent Events: None.

XII. Other

A summary of current period employee benefits, depreciation, and amortization, by function, is as follows:

By function / By nature	2024			2023		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefits						
Salary	73,700	122,584	196,284	66,049	114,718	180,767
Health and labor insurance	6,063	6,655	12,718	5,772	6,137	11,909
Pension	2,453	2,738	5,191	2,585	2,533	5,118
Director's remuneration	-	12,871	12,871	-	9,675	9,675
Other employee benefit expenses	2,368	1,335	3,703	2,459	2,195	4,654
Depreciation expense (Note)	33,328	11,975	45,303	33,025	11,074	44,099
Amortization expense	279	584	863	335	553	888

Note: Depreciation expenses incurred for investment real estate in 2024 and 2023 were NTD 180 and 179 thousand , accounted under other gains and losses.

Additional information on the number of employees and employee benefit expenses of the Company in 2024 and 2023 is as follows:

	2024	2023
Number of employees	158	156
Number of directors not concurrently serving as employees	5	5
Average employee benefit expense	$ 1,424	1,341
Average employee salary expense	$ 1,283	1,197
Adjustment of average employee salary expenses	7.18%	10.83%
Supervisor remuneration	$ -	-

Information on the Company's salary and remuneration policy (including directors, supervisors, managers, and employees) is as follows:

(I) Remuneration of directors

1. Remuneration of directors

Remuneration of directors of the Company is based on provisions of Article 24 of the Company's Articles of Incorporation, such that if there is profit for the year then not more than 1.5% shall be set aside as remuneration for directors.

The remuneration of non-independent directors who participate in the daily operations of the Company shall be governed by Article 21 of the Articles of Incorporation of the Company. The Board of Directors is authorized to receive remuneration according to the management responsibilities of directors and the degree of operational participation and the value of their contributions, as well as the usual level of payment in the industry.

Basic salaries, position bonuses, allowance, various bonuses and benefits, pensions, severance pay, and other salaries of non-independent directors in the Company's daily operations are handled in accordance with the Company's Salary Management Measures.

2. Remuneration of functional committee members

Remuneration for the Audit Committee stands at a fixed monthly remuneration of NTD 40 thousand. Remuneration for serving as a functional committee member other than for the Audit Committee shall be submitted to the Remuneration Committee and the Board of Directors for discussion and approval. Remuneration for the resigning committee members in the current year shall be calculated through the end of the month of resignation. For newly elected members, calculation of remuneration begins on the first day of the month following their election.

3. Expenses related to business execution

For independent directors or for external committee members other than independent directors serving as functional committee members, the travel fee for each meeting is NTD 10 thousand.

(II) Remuneration of employees and managers

1. Employee remuneration

Remuneration of employees of the Company is based on provisions of Article 24 of the Company's Articles of Incorporation, such that if there is profit for the year then not less than 2% shall be set aside for employees’ remuneration. Employee salary is based on the Company’s Salary Management Measures and with reference to market salary conditions and organizational structure, and are adjusted according to market salary trends and government regulations in a timely manner.

2. Remuneration of managers

Basic salaries, position bonuses, allowance, various bonuses and benefits, pensions, severance pay, and other salaries of managers who are not directors of the Company are handled in accordance with the Company's Salary Management Measures.

Young Fast Optoelectronics Co., Ltd. Notes to Parent Company Only Financial Statements (Continued)

XIII. Other disclosures

(I) Information on significant transactions:

The following is the information on significant transactions required for disclosure by the Regulations Governing the Preparation of Financial Reports by Securities Issuers for 2024:

1. Loans to other parties:

Number (Note 1)	Lending company	Loan and counter party	Whether the current subject	is a related party	Maximum amount for the current period (Note 2)	Ending balance (Note 3)	Actual expenditure amount	Interest rate range (%)	Nature of the loan of funds (Note 4)	Transaction amount for business between two parties	Reasons for necessity of short-term financing	Allowance for bad debt	Collateral		Loan of funds and limit for individual counterparties (Notes 5 and 6)	Loan of funds and total limit (Notes 5 and 6)
													Name	Value		
1	Young Fast Samoa	Young Fast Vietnam	Other receivables	Yes	163,925	81,963	-	0.65	2	-	Operating turnover	-		-	926,639	926,639

Note 1: The method for filling in the "Number" column is as follows:
(I). The Company is filled in as 0.
(II). Subsidiaries - in sequence by company from the Arabic numeral 1.
Note 2: The highest balance of funds loaned to others in the current year.
Note 3: Refers to the quota approved by the Board of Directors as of December 31,2024.
Note 4: Method for filling in "Nature of the loan of funds":
(I). For those with business dealings please fill in "1."
(II). If there is a need for short-term financing, please fill in "2."
Note 5: For companies that have short-term financing with Young Fast Samoa, the individual loan amount shall not exceed 10% of the net value of the Company, and the total loan amount shall not exceed 30% of the net value of the Company. When the counterparty of a loan of funds is the Company or is a company of the Group not located in Taiwan and in which the Company holds 100% of its total shares, the total amount and individual loans and limits shall not exceed 150% of the net worth of Young Fast SamoaNote 6: Loans of funds and limit amounts are calculated based on the most recent financial statements audited and certified by an accountant.
Note 6: Loans of funds and limit amounts are calculated based on the most recent financial statements audited and certified by an accountant.

2. Guarantees and endorsements for other parties:

Number (Note 1)	Endorsement/guarantee company name	Counterparty of guarantee/endorsement		Endorsement/guarantee limit for a single business (Note 3)	Maximum endorsement/guarantee balance in the current period	Endorsement/guarantee balance at end of period	Actual expenditure amount	Endorsement/guarantee amount by property guarantee	Proportion of cumulative endorsement/guarantee amounts to the net value of the most recent financial statements (%)	Maximum endorsement/guarantee amount (Note 3)	Parent company to subsidiary Endorsement/guarantee	Subsidiary to parent company Endorsement/guarantee	Endorsement/guarantee for the Mainland China region
		Company name	Relationship (Note 2)										
0	The Company	Young Fast Vietnam	2	2,150,088	209,824	209,824	2,920	-	2.93	3,583,480	Y	N	N
0	The Company	Young Fast Samoa	2	2,150,088	327,850	229,495	-	-	3.20	3,583,480	Y	N	N

Note 1: The method for filling in the "Number" column is as follows:
(I). The Company is filled in as 0.
(II). Subsidiaries - in sequence by company from the Arabic numeral 1.
Note 2: The relationship between the one providing endorsements/guarantees and the one receiving endorsements/guarantees is classified into Nine types:
(I). Intercompany business transactions
(II). Companies in which the Company directly and indirectly holds more than 50% of the voting rights.
(III). Companies that directly and indirectly hold more than 50% of the voting shares of the Company.
(IV). Companies that are mutually protected under contractual requirements based on the needs of the contractor.
(V). Companies that are endorsed by shareholders in accordance with their shareholding ratios because of the joint investment relationship.
(VI). Performance guarantees for pre-sale contracts under the Consumer Protection Act.
Note 3: The total amount of the Company's endorsements/guarantees shall be 50% of the net value of the Company's most recent financial statements, and endorsements/guarantees for a single enterprise shall not exceed 15% of the net value of the Company's most recent financial statements. The amount of endorsements and guarantees for companies that are directly and indirectly held 100% by voting shares may not exceed 30% of the net worth of the company's most recent financial statements.

3. Securities held at the end of the period (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with issuer of securities	Account title	End of period				Note
				Shares/Units	Carrying amount	Percentage of ownership	Fair value	
The Company	Shares: Promell Materials Technology Inc.	-	Financial assets mandatorily designated as at fair value through profit or loss-current	2,647	-	7.42%	-	
	Ritfast Corporation	-	"	245	-	0.74%	-	
	Shares: First Financial Holding Co.,Ltd.	-	Financial assets at fair value through other comprehensive income-current	29,847	808,844	0.21%	808,844	
	Mega Financial Holding Company Limited	-	"	24,715	956,459	0.17%	956,459	
	Taiwan Cooperative Financial Holding Co., Ltd.	-	"	58,081	1,411,364	0.38%	1,411,364	
	Taiwan Business Bank	-	"	16,459	244,421	0.18%	244,421	
	Taiwan Fertilizer Co., Ltd.	-	"	2,902	148,292	0.30%	148,292	
	Cathay Financial Holdings Co., Ltd.	-	"	1,672	114,210	0.01%	114,210	
	Chang Hwa Commercial Bank, Ltd.	-	"	9,227	164,710	0.08%	164,710	
					3,848,300		3,848,300	
The Company	Hold-Key Electric Wire & Cable Co., Ltd.	Major shareholders of the Company	Financial assets at fair value through other comprehensive income — non current	10,586	499,139	5.49%	499,139	
	Sol Young Enterprises Co., Ltd.	Corporate director of the Company	"	356	12,610	0.55%	12,610	
	ICP Technology Co., Ltd.	-	"	295	3,032	0.90%	3,032	
	Willide Optoelectronics Co., Ltd.	-	"	3	3,000	15.00%	3,000	
	Tung Wah Electrical Engineering Co., Ltd.	-	"	Note	2,500	5.00%	2,500	
	Zhihang Technology Co., Ltd.	-	"	1,000	10,000	6.27%	10,000	
	HiTune Pqwer Engineering Co.,Ltd..	-	"	Note	2,250	15.00%	2,250	
					532,531		532,531	

Note：Is a limited liability company and has not issued shares, so there is no number of shares.

4. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

5. Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

6. Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

7. Related party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Purchasing (selling) company	Name of transaction counterparty	Relationship	Transaction status				Circumstances and reasons why transaction conditions different from normal trading		Notes and accounts receivable (payable)		Note
			Purchased (sold)	Amount	Proportion of total purchased (sold) (%)	Credit period	Unit price	Credit period	Balance	Proportion of total notes and accounts receivable (payable) (%)	
The Company	Hold-Key	Other related parties	Sales	(186,500)	(11.78)	Note 1			36,945	16.29	
The Company	Young Fast Vietnam	Sub-subsidiary	Purchase of goods	214,684	31.22	Note 2			(140,591)	(50.83)	
The Company	Taiwan SRU Corp.	Subsidiary	Purchase of goods	276,537	40.21	Note 2			(37,154)	(13.43)	
Young Fast Vietnam	The Company	Parent company	Sales	(214,684)	(99.29)	Note 2			140,591	99.56	
Taiwan SRU Corp.	The Company	Parent company	Sales	(276,537)	(100.00)	Note 2			37,154	100.00	

Note1: The Company's transaction conditions with the related party are not significantly different from those of general client.

Note2: The Company's transaction conditions with the related party are mutually negotiated.

8. Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Company with accounts receivable	Name of transaction counterparty	Relationship	Balance of receivables from related parties	Turnover rate (%)	Overdue receivables from related parties		Amounts subsequently recovered from receivables of related parties	Allowance for bad debt
					Amount	Action taken		
Young Fast Vietnam	The Company	Parent and subsidiary companies	140,591 (Note1)	1.69	-		26,027	-

Note 1: The payment of sales revenue shall be subject to agreement between both parties.

Note 2: The turnover ratio refers to the accounts receivable turnover ratio.

Note 3: As of February 12, 2025.

9. Trading in derivative instruments: None.

(II) Information on investees

Information on the company's reinvestment business in 2024 is as follows (excluding investments in Mainland China companies):

Investing company name	Investee company name	Region	Main business items	Initial investment amount (Note 3)		Held at the end of the period			Profit and loss of the investee company for the current period (Note 2)	Investment gains and losses recognized in the current period (Note 2)	Note
				End of the current period	End of prior year	Number of shares	Percentage (%)	Carrying amount (Note 2)			
The Company	Young Fast Samoa	Samoa	Professional investment	1,946,551 (USD66,500)	1,946,551 (USD66,500)	57,195	100.00%	924,222	2,048	3,838	Note1
"	Taiwan SRU Corp.	Taiwan	Manufacturing of wire and cable accessories	30,960	30,960	3,096	51.00%	87,427	108,821	51,477	Note1
"	Epoch	Taiwan	Optical instruments	150,626	150,626	8,080	23.75%	389,980	334,373	79,414	
Young Fast Samoa	Young Fast Vietnam	Vietnam	Manufacture and sales of touch panels	965,402 (USD32,200)	965,402 (USD32,200)	-	100.00%	839,137	(4,990)	(3,972)	Note1

Note 1: Taking into account unrealized and realized gains and losses on intercompany transactions.

Note 2: The amounts of investment gains and losses recognized by the Company are based on financial statements of the investee company audited by accountants and estimated by the equity method.

Note 3: Initial investment amount is calculated based on historical exchange rates.

(III) Information on investment in Mainland China:

1. Information on business reinvestment in Mainland China:

Mainland investee company name	Main business items	Paid-in capital	Investment method (Note 1)	Accumulated investment amount remitted from Taiwan at the beginning of the current period	Investment amount remitted or recovered in the current period		Accumulated investment amount remitted from Taiwan at the end of the current period	Profit and loss of the investee company for the current period	Shareholding ratio of direct or indirect investment by the Company (%)	Investment gains and losses recognized in the current period (Note 3)	Book value of investments at the end of the period (Note 3)	Investment income repatriated up to the current period
					Outflow	Inflow						
Tengyang Optoelectronics	After sales services (labor)	4,660 (USD 150)	(II)	-	-	-	-	(267)	100.00	(267)	1,651	-

Note 1: The investment methods are divided into the following three categories, and it is sufficient to indicate the category:
(I) Direct investment in mainland China.
(II) Reinvestment in mainland China through a company in a third region. The current investment amount of USD 150 thousand is invested by Young Fast Samoa using its own funds.
(III) Other methods.

Note 2: The amounts of investment gains and losses recognized by the Company and the book values of investments at the end of the period are based on financial statements of the investee company checked by CPAs of the parent company with estimation carried out using by the equity method.

Note 3: The above listed USD to NTD exchange rates are based on historical exchange rates.

2. Limits on reinvestment in mainland China:

Unit: NTD thousand

Accumulated investment amount remitted from Taiwan to the mainland at the end of the current period (Note 3)	Investment amounts authorized by the Investment Commission of the Ministry of Economic Affairs (Note 2)	Investment limits for the Mainland Area in accordance with the regulations of the Investment Committee of the Ministry of Economic Affairs (Note 1)
-	2,393,600 (USD 73,009)	4,300,175

Note 1: 60% of net value.

Note 2: Accumulated remittance amount from Taiwan at the end of the current period (net of repatriation) calculated using historical exchange rates. The amount approved by the Investment Committee of the Ministry of Economic Affairs is calculated at the exchange rate of December 31, 2024 (USD:NTD exchange rate = 1:32.785).

Note 3: Does not include cumulative disposals (including sale, liquidation, dissolution, merger and bankruptcy, etc.) (net of repatriation). The amount of investment that has not been repatriated is NTD 2,182,137 thousand (USD 66,559 thousand).

3. Significant transactions: None.

(IV) Information on major shareholders:

Unit: Shares

Shares Name of major shareholder	Number of shares held	Percentage of shareholding
Sol Young Enterprises Co., Ltd.	32,102,114	21.21%
Hold-Key Electric Wire & Cable Co., Ltd.	20,414,832	13.49%
Zhangmiao Development Co., Ltd.	9,403,000	6.21%

Note: (1) Information on major shareholders in this table is calculated from the depository company on the last business day at the end of each quarter, and includes shareholders holding more than 5% of ordinary shares and preferred shares of the Company that have completed physical registration and delivery (including treasury shares). As for share capital recorded in the Company's financial statements and the actual number of shares delivered by the Company without physical registration, there may be differences or discrepancies due to different calculation bases.

(2) If the above-mentioned information indicates that shareholders are to hand over shares to a trust, this shall be disclosed by the trustee who has opened an individual sub-account of the trustor of the special trust account. As for the insider shareholding declaration of shareholders holding more than 10% of the shares in accordance with the Securities and Exchange Act, such shareholdings include self-held shares plus the shares that are delivered to the trust and have the right to exercise decision-making power over the trust property, and so on. Please refer to the Market Observation Post System for information on insider shareholding declarations.

(3) Shareholding ratios are unconditionally rounded to two decimal places.

XIV. Segment information

Please refer to the 2024 consolidated financial statements for details.

Young Fast Optoelectronics Co., Ltd.

Statement of Cash and Cash Equivalents

December 31, 2024

Unit: NTD Thousand or Single Units of Foreign Currency

Item	Summary	Amount
Cash	Petty cash	$ 105
	Cash in foreign currencies:	
	Japanese yen (JPY544,000元@0.2099)	114
	Vietnamese Dong (VND22,712,000元@0.0013)	29
	US Dollar (USD5,099元@32.785)	167
	Hong Kong Dollar(HKD916元@4.222)	4
	Renminbi (CNY20,551元@4.478)	92
	Korean Won (KRW734,190元@0.0225)	16
	Thai Baht(THB14,607元@0.9623)	14
	Subtotal	541
Cash in banks	Demand deposits:	
	New Taiwan Dollar	382,965
	US Dollar (USD898,588.35元@32.785)	29,460
	Japanese yen (JPY230,147,727元@0.2099)	48,308
	Renminbi(CNY83,566.21元@4.478)	374
	Subtotal	461,107
	Term deposits:	
	NT Dollar (TWD 115,960,000.00，Expiry date: 2025/1/15~2025/2/28；interest rates at 1.285%~1.525%)	115,960
	US Dollar (USD 890,000.00 @ 32.785，Expiry date: 2025/1/10~2025/2/4；interest rates at 4.500%~4.780%)	29,179
	Subtotal	145,139
		$ 606,787

Young Fast Optoelectronics Co., Ltd.

Statement of financial assets at fair value through other comprehensive income - current

December 31, 2024

Unit: NTD Thousand

Financial instrument	Summary	Number of shares or number of lots	Face value	Total amount	Interest rate	Acquisition cost	Fair value: Unit price (NTD)	Fair value: Total amount	Changes in fair value attributable to changes in credit risk	Note
Shares:										
Taiwan Cooperative Financial Holding Co., Ltd.		58,081	-	-	- %	$ 730,093	24.30	1,411,364	-	
Mega Financial Holding Company Limited		24,715	-	-	- %	554,954	38.70	956,459	-	
First Financial Holding Co.,Ltd.		29,847	-	-	- %	432,023	27.10	808,844	-	
Taiwan Business Bank		16,459	-	-	- %	130,467	14.85	244,421	-	
Taiwan Fertilizer Co., Ltd.		2,902	-	-	- %	156,818	51.10	148,292	-	
Cathay Financial Holdings Co., Ltd.		1,672	-	-	- %	69,888	68.30	114,210	-	
Chang Hwa Commercial Bank, Ltd.		9,227	-	-	- %	152,766	17.85	164,710	-	
				-		**$ 2,227,009**		**3,848,300**	**-**	

Young Fast Optoelectronics Co., Ltd.

Schedule of Notes Receivable

December 31, 2024 **Unit: NTD Thousand**

Client name	Summary	Amount	Note
Current			
Related party:			
Hold-Key	Business	$ 34,821	
Non-related party:			
Company A	Business	67,143	
Company B	〃	77,222	
Company C	〃	9,624	
Others (individual balance not attaining 5%)	〃	7,124	
		161,113	
Less: Loss allowance		14,725	
Subtotal		146,388	
Non-Current			
Non-related party:			
Company B	Business	24,622	
Less: Loss allowance		6,413	
Subtotal		18,209	
Total Subtotal		**$ 199,418**	

Young Fast Optoelectronics Co., Ltd.

Schedule of Accounts Receivable

December 31, 2024

Unit: NTD Thousand

Client name	Summary	Amount	Note
Related party:			
Hold-Key	Business	$ 2,124	
Taiwan SRU Corp.	〃	1,043	
		3,167	
Non-related party:			
Company A	Business	10,420	
Company B	〃	4,760	
Company C	〃	3,777	
Company D		3,623	
Company E	〃	3,124	
Company F	〃	2,922	
Company G		2,780	
Others (individual balance not attaining 5%)	〃	11,517	
		42,923	
Less: Loss allowance		524	
Subtotal		42,399	
		$ 45,566	

Young Fast Optoelectronics Co., Ltd.

Statement of inventories

December 31, 2024

Unit: NTD Thousand

Item	Amount: Cost	Amount: Net realizable value	Note
Raw materials	$ 211,503	194,787	Market price refers to estimated net realizable value
Work in process	32,761	29,527	〃
Manufactured goods	29,022	18,301	〃
Goods	8,434	11,385	〃
Total	281,720	**254,000**	
Less: Allowance for depreciation losses on inventories	37,532		
	$ 244,188		

Young Fast Optoelectronics Co., Ltd.

Statement of changes in financial assets at fair value through other comprehensive income - non current

January 1 to December 31, 2024

Unit: NTD Thousand

Name	Beginning of period		Increase in period (Note 1)		Decrease in period		End of period		Collateral or pledge	Note
	Number of shares or number of lots	Fair value	Number of shares or number of lots	Amount	Number of shares or number of lots	Amount	Number of shares or number of lots	Fair value		
Shares:										
Hold-Key Electric Wire & Cable Co., Ltd.	10,586	$ 345,639	-	153,500	-	-	10,586	499,139	None	
Sol Young Enterprises Co., Ltd.	356	12,610	-	-	-	-	356	12,610	None	
ICP Technology Co., Ltd.	295	3,032	-	-	-	-	295	3,032	None	
Willide Optoelectronics Co., Ltd..	3.0	3,000	-	-	-	-	3.0	3,000	None	
Tung Wah Electrical Engineering Co., Ltd.	-	2,500	-	-	-	-		2,500	None	Note2
Zhihang Technology Co., Ltd.	-	-	1,000	10,000	-	-	1,000	10,000	None	
HiTune Pqwer Engineering Co.,Ltd..	-	-	-	2,250	-	-	-	2,250	None	Note2
		$ 366,781		165,750		-		532,531		

Note 1: Including new investment cost of NTD 12,250 thousand and unrealized appraisal gains and losses of NTD 153,500 thousand in the current period.

Note 2:Is a limited liability company and has not issued shares, so there is no number of shares.

Young Fast Optoelectronics Co., Ltd.

Statement of Changes in Investments Accounted for Using the Equity Method

January 1 to December 31, 2024

Unit: NTD Thousand

Name	Opening balance		Increase in period (Note 2)		Decrease in period (Note 3)		Ending balance			Market price or net value of equity (Note 1)		Collateral or pledge	Note
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Percentage of shareholding	Amount	Unit price	Total price		
Epoch	8,080	348,778	-	85,643	-	44,441	8,080	23.75%	389,980	45.68	369,126	None	
Young Fast Samoa	57,195	866,865	-	57,357	-	-	57,195	100.00%	924,222	16.20	926,639	None	
Taiwan SRU Corp.	3,096	87,034	-	51,478	-	51,085	3,096	51.00%	87,427	33.70	104,326	None	
		$ 1,302,677		194,478		95,526			1,401,629		1,400,091		

Note 1: Long-term equity is fairly valued at the net value of equity at the balance sheet date.

Note 2: Including Investment gain of NTD 134,729 thousand,re-measurement of defined benefit plan of NTD131thousand,and Changes in equity of investment in associates and joint ventures accounted for using equity method of NTD 59,618 thousand.

Note 3: Includes cash dividends of NTD 95,526 thousand.

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Young Fast Optoelectronics Co., Ltd.

Schedule of Accounts Payable

December 31, 2024

Unit: NTD Thousand

Client name	Summary	Amount	Note
Related party:			
Young Fast Vietnam	Business	$ 140,591	
Taiwan SRU Corp.	〃	37,154	
Subtotal		177,745	
Non-related party:			
Company A	Business	40,634	
Company B	〃	9,547	
Company C	〃	9,363	
Company D	〃	7,234	
Others (individual balance not attaining 5%)	〃	32,062	
Subtotal		98,840	
		$ 276,585	

Schedule of Other Payables

Item	Summary	Amount
Salary and bonus payable	Business	$ 163,156
Employee compensation payable	〃	15,082
Directors' remuneration payable	〃	11,311
Others (individual balance not attaining 5%)	〃	28,834
		$ 218,383

Young Fast Optoelectronics Co., Ltd.

Statement of operating revenue

January 1 to December 31, 2024

Item	Quantity	Amount	Note
Touch panels		$ 290,316	
Terminal boxes and splice boxes		1,292,826	
		$ 1,583,142	

Young Fast Optoelectronics Co., Ltd.

Schedule of Operating Costs

January 1 to December 31, 2024 **Unit: NTD Thousand**

Item	Amount	
	Subtotal	Total
Cost of goods sold for self-manufactured products		$ 709,011
Direct raw materials	593,695	
Add: Beginning inventory	210,068	
Feedstock in this period	595,711	
Less: End-of-period inventory	(210,348)	
Inventory obsolescence loss	(220)	
Other	(1,516)	
Direct materials	2,044	
Add: beginning inventory	1,339	
Feedstock in this period	1,906	
Less: end-of-period inventory	(1,155)	
Other	(46)	
Direct labor	38,450	
Manufacturing expense	123,914	
Manufacturing cost	758,103	
Add: Beginning work in process inventory	14,562	
Feedstock in this period	10,774	
Less: Ending work in process inventory	(32,761)	
Inventory obsolescence loss	(14)	
Other	(16,935)	
Subtotal of cost of finished goods	733,729	
Add: Inventory of finished products at the beginning of the period	14,320	
Less: Inventory of finished products at the end of the period	(29,022)	
Inventory obsolescence loss	(8)	
Other	(10,008)	
Cost of goods sold of outsourced goods		203,617
Add: beginning inventory	8,178	
Purchases in this period	204,179	
Less: end-of-period inventory	(8,434)	
Inventory obsolescence loss	(226)	
Other	(80)	
Total cost of goods sold		912,628
Inventory obsolescence loss		468
Inventory valuation and obsolescence reversal gain		(14,854)
Unamortized manufacturing overhead		14,273
Accrued warranty liability		(15,882)
Other operating costs		70,214
Total operating costs		**$ 966,847**

Young Fast Optoelectronics Co., Ltd.

Schedule of marketing expenses

January 1 to December 31, 2024

Unit: NTD Thousand

Item	Summary	Amount	Note
Commission expenses		$ 23,868	
Salary expenses		10,057	
Import and export expenses		2,644	
Others (individual balance not attaining 5%)		6,579	
		$ 43,148	

Schedule of management expenses

Item	Summary	Amount	Note
Salary expenses		$ 85,251	
Director and supervisor expenses		12,871	
Depreciation		8,728	
Others (individual balance not attaining 5%)		26,978	
		$ 133,828	

Young Fast Optoelectronics Co., Ltd.

Schedule of research and development expenses

January 1 to December 31, 2024

Unit: NTD Thousand

Item	Summary	Amount	Note
Salary expenses		$ 27,276	
Labor expense		2,708	
R&D material expense		2,805	
Depreciation		2,956	
Others (individual balance not attaining 5%)		5,571	
		$ 41,316	

Please refer to Note 6 (2) of the financial statements for a detailed schedule of Financial assets at fair value through profit or loss.
Please refer to Note 6 (4) of the financial statements for a detailed schedule of Financial Assets Measured at Amortized Cost are Assets.
Please refer to Note 6 (9) of the financial statements for a detailed schedule of changes in property, plant and equipment.
Please refer to Note 6 (10) of the financial statements for a detailed schedule of changes in right-of-use assets.
Please refer to Note 6 (11) of the financial statements for a detailed schedule of changes in investment real estate.
Please refer to Note 6 (12) of the financial statements for a detailed schedule of changes in intangible assets.
Please refer to Note 6 (13) of the financial statements for a detailed schedule of Long-term borrowings.
Please refer to Note 6 (14) of the financial statements for a detailed schedule of lease liabilities.
Please refer to Note 6 (15) of the financial statements for a detailed schedule of provisions.
Please refer to Note 6 (22) of the financial statements for a detailed schedule of other revenues.
Please refer to Note 6 (22) of the financial statements for a detailed schedule of other gains and losses.
Please refer to Note 6 (22) of the financial statements for a detailed schedule of finance costs.