VSO ELECTRONICS CO., LTD.

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

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For the convenience of readers and for information purpose only, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of VSO ELECTRONICS CO., LTD.

Opinions

We have audited the accompanying parent company only balance sheets of VSO ELECTRONICS CO., LTD. as at December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of VSO ELECTRONICS CO., LTD. as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis of Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the parent company only financial statements section of our report. We are independent of VSO ELECTRONICS CO., LTD. in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of VSO ELECTRONICS CO., LTD.'s 2024 financial statements. 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, we do not provide a separate opinion on these matters.

Key audit matter for VSO ELECTRONICS CO., LTD. 2024 financial statements are stated as follows:

Occurrence of operating revenues

VSO ELECTRONICS CO., LTD. develops, manufactures, and sells a variety of connecting cables for the Internet of Things, cloud, industrial control, medical, and automotive applications. Since the products are customized and developed according to the needs of customers, the occurrence or non-occurrence of the sales transactions related to the operating revenues from specific customers has a significant impact on the consolidated financial statements. Therefore, we have determined that the occurrence of the aforementioned customer-specific revenue is a material adjustment to our consolidated financial statements.

How our audit addressed the matter

We have performed primary audit procedures for the above matter as follows:

1. Understand and evaluate the effectiveness of internal control design and implementation in relation to the occurrence of consolidated revenue;
2. Sampling sales revenue details of specific customers, and verifying sales transactions by cross-referencing customer orders, shipping documents, sales invoices, and collection of accounts receivable.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the financial reporting process of VSO ELECTRONICS CO., LTD.

Auditors' responsibilities for the audit of the consolidated 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the 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 internal control of VSO ELECTRONICS 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 of VSO ELECTRONICS CO., LTD. to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause VSO ELECTRONICS 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 disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within VSO ELECTRONICS CO., LTD. to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Yeh Shu-Chuan

Huang Kuo-Ning.

For and on behalf of Deloitte & Touche, Taiwan

March 13, 2025

Notice to Readers

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, Deloitte & Touche cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

VSO ELECTRONICS CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars)

		December 31, 2024		December 31, 2023	
	Assets	Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 38,377	2	$ 204,308	14
1110	Financial assets at fair value through profit or loss - current (Note 7)	-	-	22,339	2
1136	Financial assets measured at amortized cost - current (Notes 4 and 8)	338,208	18	25,000	2
1150	Notes receivable (Notes 4, 9 and 22)	462	-	118	-
1170	Accounts receivable (notes 4, 9 and 22)	504,390	28	298,193	21
1180	Accounts receivable - related parties (Notes 4, 9, 22 and 30)	18,390	1	28,458	2
1200	Other receivables (Notes 9 and 2-9)	1,072	-	2,050	-
1210	Other receivables - related parties (Note 30)	15,681	1	17,449	1
130X	Inventories (Notes 4 and 10)	17,760	1	20,391	2
1470	Other current assets (Notes 15 and 20)	1,566	-	1,516	-
11XX	Total current assets	935,906	51	619,822	44
	Non-current assets				
1550	Investments accounted for under equity method (Notes 4 and 11)	747,132	41	659,591	47
1600	Property, plant and equipment (Notes 4, 12, 31 and 32)	118,085	6	118,236	8
1780	Intangible assets (Notes 4 and 14)	16,615	1	12,489	1
1840	Deferred tax assets (Notes 4 and 24)	1,107	-	1,437	-
1990	Other non-current assets (Notes 15 and 31)	15,211	1	3,572	-
15XX	Total non-current assets	898,150	49	795,325	56
1XXX	**Total assets**	$ 1,834,056	100	$ 1,415,147	100
	LIABILITIES AND EQUITY				
	Current liabilities				
2100	Short-term borrowings (notes 4, 16 and 27)	$ 34,750	2	$ 183,314	13
2130	Contract liabilities - current (Notes 4 and 22)	-	-	362	-
2170	Accounts payable (Notes 4 and 17)	4,722	-	14,928	1
2180	Accounts payable - related parties (Notes 4 and 30)	195, 264	11	133,959	9
2200	Other payables (Note 18)	50,305	3	40,935	3
2220	Other payables - related parties (Notes 4 and 30)	288	-	241	-
2230	Current tax liabilities (Notes 4 and 24)	9,610	-	35,742	3
2250	Provision for liabilities - current (Notes 4 and 19)	1,157	-	718	-
2300	Other current liabilities (Notes 4, 18 and 22)	3,724	-	1,489	-
21XX	Total current liabilities	299,820	16	411,688	29
	Non-current liabilities				
2540	Long-term borrowings (Notes 4, 16 and 27)	9,853	1	-	-
2570	Deferred income tax liabilities (Notes 4 and 24)	34,836	2	21,101	2
2640	Other non-current liabilities (Notes 4, 18 and 27)	105	-	-	-
25XX	Total non-current liabilities	44,794	3	21,101	2
2XXX	**Total liabilities**	344,614	19	432,789	31
	Equity (Note 21)				
3110	Share capital - Common stock	417,165	23	375,302	27
3200	CAPITAL surplus	565,514	31	227,844	16
	Retained surplus				
3310	Legal reserve	86,676	4	75,181	5
3320	Special reserve	52,481	3	40,666	3
3350	Unappropriated retained earnings	402,057	22	315,846	22
3300	**Total retained earnings**	541,214	29	431,693	30
3400	**Other equity**	(34,451)	(2)	(52,481)	(4)
3XXX	**Total equity**	1,489,442	81	982,358	69
	Total liabilities and equity	$ 1,834,056	100	$ 1,415,147	100

The accompanying notes are an integral part of this individual financial report.

VSO ELECTRONICS CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

		2024		2023	
	ITEMS	Amount	%	Amount	%
4000	Net operating income (Notes 4, 22 and 30)	$ 1,199,779	100	$ 872,443	100
5000	Operating costs (Notes 4, 10 and 30)	903,220	75	622,439	72
5900	Gross Profit	296,559	25	250,004	28
5910	Unrealized gross profit on sales to subsidiaries	(411	-	(875)	-
5920	Realized gross profit on sales to subsidiaries	875	-	301	-
5950	Realized gross operating profit	297,023	25	249,430	28
	Operating expenses (Notes 9, 14, 20, 23 and 30)				
6100	Selling expenses	45,006	4	43,592	5
6200	General and administrative expenses	87,098	7	69,249	8
6300	Research and development expenses	30,919	3	23,243	2
6450	Expected credit impairment loss (benefit)	939	-	(10,940)	(1)
6000	Total operating expenses	163,962	14	125,144	14
6900	**Net operating profit**	133,061	11	124,286	14
	Non-operating gains and losses				
7100	Interest income (Note 2-3)	3,047	-	4,314	1

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	ITEMS	2024 Amount	2024 %	2023 Amount	2023 %
7010	Other income (Notes 2, 3 and 30)	3,070	-	4,466	1
7210	Other gains and losses (notes 7, 23 and 33)	12,787	1	642	-
7050	Finance costs (Note 2-3)	(4,312)	-	(1,482)	-
7060	Share of profit of associates and joint ventures accounted for using the equity method	81,548	7	12,168	1
7000	Total non-operating gains and losses	96,140	8	20,108	3
7900	Net income before tax	229, 201	19	144,394	17
7950	Income tax expense (Notes 4 and 24)	(43,629)	(4)	(30,113)	(4)
8200	**Net profit for the year**	185,572	15	114,281	13
	Other comprehensive income (Notes 20, 21 and 24)				
	Items that will not be reclassified to profit or loss				
8311	Remeasurement of Defined Benefit Plans	-	-	818	-
8349	Income tax relating to those items not to be reclassified to profit or loss	(87)	-	(163)	-
	Items that will be reclassified to profit or loss				
8361	Financial statements translation differences of foreign operations	18,030	2	(11,815)	(1)
8300	**Total other comprehensive income (net)**	17,943	2	(11,160)	(1)
8500	**Total consolidated profit or loss for the year**	$ 203,515	17	$ 103,121	12
	Earnings per share (Note 25)				
9710	Basic Earnings Per Share	$ 4.78		$ 3.05	
9810	Diluted Earnings Per Share	$ 4.74		$ 3.01	

The accompanying notes are an integral part of this individual financial report.

VSO ELECTRONICS CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Share capital (note 21)		Capital surplus	Retained earnings (Notes 21 and 24)			Overseas Operating Organizations Financial Statement Translation Exchange Differences	
	ITEMS	Number of shares (in thousands)	Amount	(Note 21)	Legal reserve	Special reserve	Unappropriated retained earnings	(Note 21)	Total equity
A1	Balance as of January 1, 2023	33,997	$ 339,974	$ 225,003	$ 39,126	$ -	$ 464,954	($ 40,666)	$ 1,028,391
	Appropriations of 2022 earnings								
B1	Legal reserve	-	-	-	36,055	-	(36,055)	-	-
B3	Special reserve	-	-	-	-	40,666	(40,666)	-	-
B5	Cash dividends	-	-	-	-	-	(153,279)	-	(153,279)
B9	Stock dividends	3,406	34,062	-	-	-	(34,062)	-	-
C7	Changes in ownership interests in subsidiaries	-	-	-	-	-	18	-	18
N1	Employee stock option compensation cost	-	-	955	-	-	-	-	955
N1	Common shares issued under employee stock option plan	127	1,266	1,886	-	-	-	-	3,152
D1	2023 Net Profit	-	-	-	-	-	114,281	-	114,281
D3	Other comprehensive income after tax for the year 112	-	-	-	-	-	655	(11,815)	(11,160)
Z1	Balance at December 31, 2023	37,530	375,302	227,844	75,181	40,666	315,846	(52,481)	982,358
E1	Cash Capital Increase	3,660	36,600	328,977	-	-	-	-	365,577
	Appropriations of 2023 earnings								
B1	Legal reserve	-	-	-	11,495	-	(11,495)	-	-
B3	Special reserve	-	-	-	-	11,815	(11,815)	-	-
B5	Cash dividends to shareholders	-	-	-	-	-	(75,921)	-	(75,921)
C7	Changes in ownership interests in subsidiaries	-	-	-	-	-	(43)	-	(43)
C17	Exercise of vesting rights	-	-	928	-	-	-	-	928
N1	Employee stock option compensation cost	-	-	2,129	-	-	-	-	2,129
N1	Common shares issued under employee stock option plan	526	5,263	5,636	-	-	-	-	10,899
D1	113 Net Income	-	-	-	-	-	185,572	-	185,572
D3	Other comprehensive income after tax for the year 113	-	-	-	-	-	(87)	18,030	17,943
Z1	Balance of December 31,2024	41,716	$ 417,165	$ 565,514	$ 86,676	$ 52,481	$ 402,057	($ 34,451)	$ 1,489,442

The accompanying notes are an integral part of this individual financial report.

VSO ELECTRONICS CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars)

	ITEM	2024	2023
	Cash flows from operating activities		
A10000	Net profit for the year before tax	$ 229, 201	$ 144,394
	Gain/loss items:		
A20100	Depreciation expense	4,760	5,609
A20200	Amortization expense	6,360	4,406
A20300	Expected credit impairment loss (reversal of gain)	939	(10,940)
A20400	Net loss on financial assets at fair value through profit or loss	788	1,234
A20900	Finance Costs	4,312	1,482
A21200	Interest income	(3,047)	(4,314)
A21900	Share-based compensation cost	2,022	1,000
A22400	Equity-method share of profit or loss of subsidiaries and affiliated companies	(81,548)	(12,168)
A22500	Disposal of interests in real property, plant and equipment	(35)	(6)
A23700	Inventory decline and obsolescence loss	930	-
A23800	Benefits from inventory decline and slow-moving inventory rebound	-	(160)
A23900	Unrealized gross profit on sales to subsidiaries	-	574
A24000	Realized gross profit on sales to subsidiaries	(464)	-
A29900	Government subvention income	(349)	-
A30000	Net changes in operating assets and liabilities		
A31130	Notes Receivable	(344)	(118)
A31150	Accounts receivable	(207,136)	55,006
A31160	Accounts receivable - related parties	10,068	(13,820)
A31180	Other receivables	1,666	75,441
A31190	Other receivables - related parties	1,115	(1,217)
A31200	Inventory	1,701	(7,831)

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	ITEM	2024	2023
A31220	Prepaid Pension	373	-
A31240	Other current assets	(392)	(645)
A31990	Other non-current assets	(402)	-
A32110	Financial liabilities held for trading	(872)	(1,485)
A32125	Contractual liabilities	(362)	232
A32150	Accounts payable	(10,206)	12,229
A32160	Accounts payable - related parties	61,305	(25,524)
A32180	Other payables	9,632	(24,794)
A32190	Other payables - related parties	47	241
A32200	Provision for liabilities	439	157
A32230	Other current liabilities	2,292	(810)
A32240	Net Defined Benefit Liability	-	(8,643)
A33000	Cash generated from operations	32,793	189,530
A33500	Payment of income tax	(55,814)	(81,397)
AAAA	Net cash flows (out) from operating activities	(23,021)	108,133
	Cash flows from investing activities		
B00040	Acquisition of financial assets measured at amortized cost	(338,208)	(25,000)
B00050	Disposal of financial assets measured at amortized cost	25,000	15,350
B00100	Acquisition of financial assets at fair value through profit or loss	-	(91,000)
B00200	Disposal of financial assets at fair value through profit or loss	22,423	68,912
B02200	Net cash outflow from acquisition of subsidiaries	-	(159,606)
B02300	Repayment of capital reduction by subsidiaries	-	52,565
B02700	Acquisition of real estate, plant and equipment	(18,894)	(9,117)
B02800	Disposal of property, plant and equipment	-	183
B03700	Increase in guarantee deposits	-	(391)
B03800	Decrease in refundable deposits	3,048	-
B04300	Increase in other receivables - related parties	(14,751)	(15,355)
B04400	Decrease in other receivables from related parties	15,355	-

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code		2024	2023
B04500	Purchase of intangible assets	(10,486)	(4,817)
B07500	Interest received	2,408	3,821
B07600	Receipt of dividends from subsidiaries	12,600	102,000
BBBB	Net cash outflow from investing activities	(301,505)	(62,455)
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	240,996	183,314
C00200	Decrease in short-term borrowings	(389,310)	-
C01600	Long-term borrowings	10,000	-
C01700	Repayment of long-term loans	-	(42,694)
C04020	Lease principal repayment	-	(1,587)
C04500	Cash Dividend	(75,921)	(153,279)
C04600	Cash Capital Increase	365,577	-
C04800	Employee-Executed Stock Options	10,899	3,152
C05600	Interest paid	(4,574)	(1,201)
C09900	Exercise of vesting rights	928	-
CCCC	Net cash inflow (outflow) from financing activities	158,595	(12,295)
EEEE	Net (decrease) increase in cash and cash equivalents	(165,931)	33,383
E00100	Cash and cash equivalents at beginning of year	204,308	170,925
E00200	Cash and cash equivalents at end of year	$ 38,377	$ 204,308

The accompanying notes are an integral part of these financial statements.

VSO ELECTRONICS CO., LTD.

NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars)

1. Company History

VSO Electronics Co., Ltd. (the "Company") was established on August 13, 1994, and its main business is the sale of various kinds of connecting wires for intelligent Internet of Things, cloud, industrial control, medical and automotive applications.

On September 28, 2022, the Company was approved by the Taipei Exchange for a public offering of stock and since October 1, 2024, the Company has been traded over the counter on the Taipei Exchange. These parent company only financial statements are expressed in New Taiwan dollars, the functional currency of the Company.

2. Date and Procedure for Approval of the Financial Report

These parent company only financial statements were authorised for issuance by the Board of Directors on March 13, 2025.

3. Application of new and revised standards and interpretations

(I) Initial application of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC) and Statements of Interpretation (SIC) (hereinafter referred to as "IFRS Accounting Standards") recognized by the Financial Supervisory Commission (hereinafter referred to as the "FSC") and published in effect

The initial application of IFRSs recognized by the FSC and published as effective did not result in significant changes in the Company's accounting policies and did not have a significant impact on the Company's financial position and financial performance.

(ii) IFRSs recognized by the FSC for the year ended December 31, 2025

New Releases/Amendments/Amended Criteria and Interpretations	Effective Date of International Accounting Standards Board (IASB) Issuance
Amendments to IFRS 21 “Lack of Exchangeability”	January 1, 2025 (Note 1)

Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" – the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 2)

Note 1: Applicable to annual reporting periods beginning after January 1, 2025 Upon initial application of the amendment, the comparative periods shall not be restated and the effect shall be recognized in the foreign operator exchange differences under retained earnings or equity, as appropriate, and the related affected assets and liabilities as of the date of initial application.

Note 2: Applicable to annual reporting periods beginning after January 1, 2026, an enterprise may also elect to apply the amendment earlier than January 1, 2025. When the amendment is applied for the first time, it should be applied retrospectively without restatement of the comparative period, and the impact of the initial application should be recognized at the date of initial application. However, companies may elect to restate the comparative period if the restatement is possible without the use of hindsight.

As of the date of issuance of this interim report, the Company assessed that the amendments to the above standards and interpretations did not have a significant impact on the Company's financial position and financial performance.

(iii) IFRSs issued by the IASB that have not yet been endorsed by the FSC and published as effective.

New Releases/Amendments/Amended Criteria and Interpretations	Effective date of IASB issuance (Note 1)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"- the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts	January 1, 2026

Referencing Nature-dependent Electricity"	
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	Not available
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 -Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Notes: Unless otherwise stated, the above new releases/amendments/revisions of standards or interpretations are effective for annual reporting periods beginning after each such date.

<u>IFRS 18 "Presentation and Disclosure in Financial Statements</u>

IFRS 18 will replace IAS 1 'Presentation of Financial Statements' and the key changes to the standard include:

- The income statement should classify income and expense items into operating, investing, fundraising, income tax and discontinuing unit categories.
- The statement of income should show the operating profit or loss, profit or loss before income tax, and the subtotal and total of profit or loss.
- Guidance is provided to enhance aggregation and segmentation requirements: The Company is required to identify assets, liabilities, equity, revenues, expenses and cash flows arising from individual transactions or other events and to classify and aggregate them on the basis of common characteristics so that each line item presented in the primary financial statements has at least one similar characteristic. Items that do not have a similar characteristic should be disaggregated in the primary financial statements and notes thereto. The Company labels such items as "other" only when a more informative label cannot be identified.

- Increased Disclosure of Management-Defined Performance Measures: When the Company engages in public communications outside of the financial statements and communicates to users of the financial statements management's perspective on a particular aspect of the Company's overall financial performance, the Company should disclose in a separate note to the financial statements information about management-defined performance measures, including a description of the measure, how it is calculated, how it reconciles to subtotals or totals prescribed by IFRS, and the impact of related reconciling items, such as income taxes and noncontrolling interests. The notes to the financial statements should disclose information about the performance measure as defined by management, including a description of the measure, how it is calculated, its reconciliation to the subtotals or totals prescribed by IFRSs, and the income tax and noncontrolling interest effects of the related reconciliation.

In addition to the above impacts, as of the date of issuance of this Individual Financial Report, the Company is continuously evaluating other impacts of the amendments to standards and interpretations on its financial position and financial performance, and the related impacts will be disclosed when the evaluation is completed.

4. Summary of Significant Accounting Policies

(i) Statement of Compliance

The accompanying consolidated financial statements have been prepared in conformity with the Guidelines Governing the Preparation of Financial Statements by Securities Issuers.

(ii) Basis of Preparation

These parent company only financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value and net defined benefit assets/liabilities recognized at the present value of the defined benefit obligation less the fair value of plan assets.

Fair value measurements are categorized into Levels 1 through 3 based on the observable procedures and significance of the underlying inputs:

1. Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that are available at the measurement date.
2. Level 2 inputs: observable inputs other than quoted prices in Level 1 that are directly (i.e., prices) or indirectly (i.e., derived from prices) associated with an asset or liability.
3. Level 3 inputs: unobservable inputs for assets or liabilities.

The Company applies the equity method of accounting to its investments in subsidiaries and affiliates in preparing its individual financial statements. In order to make the current year's profit or loss, other comprehensive profit or loss and equity in the individual financial report the same as the current year's profit or loss, other comprehensive profit or loss and equity attributable to the owners of the Company in the Company's consolidated financial report, certain accounting treatment differences under the individual and consolidated bases are adjustments to the "Investments accounted for under the equity method", "Shares of other comprehensive profit or loss of subsidiaries and affiliates accounted for under the equity method", and the related equity items.

(iii) Criteria for Distinguishing Current and Noncurrent Assets and Liabilities

Current assets include:

1. Assets held primarily for trading purposes;
2. Assets expected to be realized within 12 months from the balance sheet date; and
3. Cash and cash equivalents (other than those restricted from being used to exchange or settle liabilities for more than 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for trading purposes;

2. Liabilities due for settlement within 12 months from the balance sheet date, and
3. Liabilities for which there is no substantive right at the balance sheet date to defer settlement until at least 12 months after the balance sheet date.

Current assets or liabilities that are not classified as above are classified as non-current assets or non-current liabilities.

(iv) Foreign Currency

For the purpose of preparing individual financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recorded in the functional currency using the exchange rates prevailing on the transaction dates.

Monetary items denominated in foreign currencies are translated at the closing rate at each balance sheet date. Exchange differences arising from the delivery or translation of monetary items are recognized in profit or loss in the period in which they arise.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing on the date when the fair value was determined, and the resulting exchange differences are included in profit or loss for the current period except for those that are classified as changes in fair value recognized in other comprehensive income.

Non-monetary items carried at historical cost in foreign currencies are translated at the exchange rates prevailing on the transaction dates and are not retranslated.

For the purpose of preparing individual financial statements, assets and liabilities of foreign operations (including subsidiaries whose operations are located in countries or use currencies different from those of the Company) are translated into New Taiwan dollars at the exchange rates prevailing at each balance sheet date. Income and expense items are translated at average exchange rates for the period, and the resulting exchange differences are included in other comprehensive income.

If the Company disposes of all of its interests in a foreign operator, or if it disposes of a foreign operator

If the Company loses control over a portion of its subsidiaries or disposes of a retained interest in a foreign operation, the retained interest is a financial asset and is accounted for in accordance with the accounting policies for financial instruments, and all of the cumulative translation adjustments related to the foreign operation will be reclassified to profit or loss.

If the partial disposal of a foreign operation does not result in a loss of control, the cumulative translation differences are proportionately included in equity transactions but not recognized in profit or loss. In the case of any other partial disposal of a foreign operation, the cumulative translation differences are reclassified to profit or loss on a pro rata basis.

(v) Inventory

Inventories are commodity inventories. Inventories are measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price under normal circumstances less the estimated cost to complete the sale. The cost of inventories is determined using the weighted-average method.

(vi) Investment subsidiaries

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

Subsidiaries are entities controlled by the Company.

Under the equity method, investments are initially recognized at cost, and the carrying amount increases or decreases with the Company's equity in the subsidiaries' income or loss, other comprehensive income or loss, and profit distribution. In addition, changes in the Company's other equity in subsidiaries are recognized on the basis of the Company's proportionate share in the subsidiaries.

When a change in the Company's ownership interest in a subsidiary does not result in a loss of control, it is accounted for as an equity transaction. The difference between the carrying amount of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses in a subsidiary equals or exceeds its equity in the subsidiary (including the carrying amount of the subsidiary under the equity method and other long-term interests that are, in substance, components of the Company's net investment in the subsidiary), the Company continues to recognize losses based on the proportionate share of ownership.

The excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of the subsidiaries constituting the business as of the date of acquisition is recorded as goodwill, which is included in the carrying amount of the investment and is not amortized; the excess of the Company's share of the net fair value of the identifiable assets and liabilities of the subsidiaries constituting the business as of the date of acquisition over the cost of acquisition is recorded as current income.

The Company assesses impairment losses by comparing the recoverable amount of a cash-generating unit with the carrying amount of the cash-generating unit as a whole for financial reporting purposes. If the recoverable amount of an asset increases in a subsequent period, a reversal of the impairment loss is recognized as a gain. However, the carrying amount of an asset after the reversal of an impairment loss shall not exceed the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized for the asset. An impairment loss attributable to goodwill is not reversed in subsequent periods.

Upon loss of control over a subsidiary, the Company measures its remaining investment in the former subsidiary at its fair value at the date of loss of control. The difference between the fair value of the remaining investment and any disposal price and the carrying amount of the investment at the date of loss of control is recognized in profit or loss for the current period. In addition, all amounts recognized in other comprehensive income related to this subsidiary are accounted for on the same basis as if the Company had directly disposed of the related assets or liabilities.

Unrealized gains or losses on upstream transactions with subsidiaries are eliminated in the consolidated financial statements. Gains or losses resulting from counter-current and side-current transactions with subsidiaries are recognized in the individual financial statements only to the extent that they are not related to the Company's interest in the subsidiaries.

(vii) Property, plant and equipment

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

Except for owned land, which is not depreciated, property, plant and equipment are depreciated separately on a straight-line basis over their useful lives for each significant portion. The Company reviews the estimated useful lives, salvage values and depreciation methods at least at each year-end and defers the effect of changes in applicable accounting estimates.

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

(viii) Intangible assets

1. Acquired alone

Separately acquired intangible assets with finite useful lives are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight-line basis over their useful lives, and the Company reviews the estimated useful lives, residual values and amortization methods at least at each year-end and defers the impact of changes in applicable accounting estimates. Intangible assets with indefinite useful lives are stated at cost less accumulated impairment losses.

2. Except for the following

When an intangible asset is derecognized, the difference between the net disposal price and the carrying amount of the asset is recognized in profit or loss.

(ix) Impairment of property, plant and equipment and intangible assets (other than goodwill)

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

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

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

(x) Financial instruments

Financial assets and financial liabilities are recognized in the individual balance sheets when the Company becomes a party to the contractual provisions of the instrument.

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

1. Financial assets

Customary transactions of financial assets are recognized and derecognized using trade date accounting.

(1) Measurement Type

The types of financial assets held by the Company are financial assets at fair value through profit or loss and financial assets at amortized cost.

A. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets at fair value through profit or loss on a mandatory basis and those designated as at fair value through profit or loss. Financial assets at fair value through profit or loss include investments in equity instruments that are not designated as at fair value through other comprehensive income or loss and investments in debt instruments that do not meet the criteria for classification as at amortized cost or at fair value through other comprehensive income or loss.

Financial assets at fair value through profit or loss are measured at fair value, with gains or losses arising from remeasurement recognized in other gains and losses. Please refer to Note 29 for the method of determining fair value.

B. Financial assets measured at amortized cost

The Company's investments in financial assets are classified into two categories when both of the following conditions are met

Financial assets classified as at amortized cost:

a. are held within an operating model whose objective is to hold financial assets to collect contractual cash flows; and

b. The terms of the contract generate cash flows on a specific date which are solely payments of principal and interest on the outstanding principal amount.

Financial assets carried at amortized cost (including cash and cash equivalents, time deposits with original maturities greater than three months, notes receivable, accounts receivable, accounts receivable - related parties, other receivables, other receivables - related parties, and refundable deposits) are initially recognized at amortized cost and then recognized at interest. After the initial recognition, the total carrying amount is determined by the effective interest method, less the amortized cost of any impairment loss, and any gain or loss on foreign-currency translation is recognized in profit or loss.

Interest income is calculated by multiplying the effective interest rate by the total carrying amount of financial assets. Credit-impaired financial assets are financial assets that are impaired because the issuer or debtor has experienced significant financial difficulty, default, it is probable that the debtor will enter bankruptcy or other financial reorganization, or the active market for the financial asset has disappeared as a result of financial difficulty.

The cash equivalents include time deposits that are highly liquid and readily convertible to fixed cash within three months from the date of acquisition and subject to an insignificant risk of changes in value, which are used to meet short-term cash commitments.

(2) Impairment of financial assets

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

An allowance for credit losses is recognized on the basis of expected credit losses in the current period. Other financial assets are evaluated to determine whether there has been a significant increase in credit risk since the initial recognition, and if not, an allowance for losses is recognized based on the expected credit losses over the 12-month period; if not, an allowance for losses is recognized based on the expected credit losses over the remaining period.

Expected credit losses are weighted-average credit losses that are based on the risk of default. 12-month expected credit losses represent expected credit losses arising from probable defaults of the financial instruments within 12 months from the reporting date, while ongoing expected credit losses represent expected credit losses arising from all probable defaults of the financial instruments during the expected duration of the financial instruments.

For the purpose of internal credit risk management, the Company determines that the following conditions represent defaults on financial assets without regard to the collaterals held:

A. There is internal or external information that indicates that the debtor is unlikely to be able to settle the debt.

B. More than 120 days past due, unless there is reasonable and supportable information indicating that an extended basis of default is more appropriate.

Impairment losses on financial assets are recognized by reducing the carrying amount of the financial assets through the use of an allowance account.

(3) Dividing Financial Assets

Financial assets are derecognized only when the Company's contractual rights to the cash flows from the financial assets expire or when the financial assets have been transferred and substantially all the risks and rewards of ownership of the assets have been transferred to another entity.

When a financial asset measured at amortized cost is derecognized from the balance sheet, the difference between the carrying amount and the consideration received is recognized in profit or loss.

2. Equity instruments

Equity instruments issued by the Company are recognized at the acquisition price less direct issue costs.

3. Financial liabilities

(1) Follow-up Measurement

All of the Company's financial liabilities are measured at amortized cost using the effective interest method.

(2) Deductions from financial liabilities

When a financial liability is derecognized, the difference between its carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized as profit or loss.

4. Derivatives

Derivatives entered into by the Company include forward exchange contracts to manage the Company's exposure to exchange rate risk.

Derivatives are initially recognized at fair value at the time a derivative contract is entered into and are subsequently remeasured at fair value at the balance sheet date. Gains or losses arising from subsequent remeasurements are recognized directly in profit or loss, except for derivatives that are designated as effective hedging instruments, for which the point at which the derivative is recognized in profit or loss will depend on the nature of the hedging relationship. When the fair value of a derivative is positive, it is recognized as a financial asset; when the fair value is negative, it is recognized as a financial liability.

Derivatives that are embedded in master contracts for assets within the scope of IFRS 9 are used to determine the classification of the financial assets as a whole contract. Derivatives that are embedded in a host contract for assets not within the scope of IFRS 9 (e.g., embedded in a host contract for financial liabilities) are considered to be stand-alone derivatives if the embedded derivatives meet the definition of derivatives, the risks and characteristics of the embedded derivatives are not closely related to those of the host contract, and the hybrid contract is not measured at fair value through profit or loss.

(xi) Provision for liabilities

The amount recognized as provision for liabilities is the best estimate of the expenditure required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties of the obligation. The provision for liabilities is measured at the discounted cash flow value of the obligation.

Warranty obligations for products conforming to agreed specifications are recognized when the related merchandise is recognized as revenue, based on management's best estimate of the expenditures required to settle the Company's obligations.

(xii) Revenue recognition

Upon recognition of performance obligations under customer contracts, the Company allocates the transaction price to each performance obligation and recognizes revenue when each performance obligation is satisfied.

For contracts with a time lag of one year or less between the date of transfer and the date of receipt of consideration, the significant financial components are not adjusted to the transaction price.

<u>Revenue from sales of goods</u>

Revenues from merchandise sales are derived from the sales of various connecting wire products for the Internet of Things, cloud computing, industrial control, medical, and automotive applications. The Company recognizes revenue and accounts receivable at the point in time when the customer has the right to set the price and use the product, has the primary responsibility to re-sell the product, and bears the risk of obsolescence of the product. Receipts in advance for merchandise sales are recognized as contractual liabilities until the products are delivered to the customers. In accordance with commercial practice, the Company recognizes a liability for refunds based on the most probable amount of discounts estimated by taking into account the past year's history of transactions between the Company and some of its sales customers.

(xiii) Rental

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

1. The Company is the Lessor

   Leases are classified as finance leases when the terms of the lease transfer to the lessee substantially all the risks and rewards incidental to ownership of the asset. All other leases are classified as operating leases.

   Under an operating lease, lease payments, net of lease incentives, are recognized as revenue on a straight-line basis over the term of the lease. The original direct costs incurred to acquire an operating lease are added to the carrying amount of the underlying asset and recognized as expenses on a straight-line basis over the lease term.

2. The Company shall, on behalf of the Tenant

   Right-of-use assets and lease liabilities are recognized at the inception date of the lease, except for leases of undervalued underlying assets for which the recognition exemption applies and short-term leases for which lease payments are recognized as an expense over the lease term on a straight-line basis.

   Right-of-use assets are initially measured at cost, which includes the original measurement of the lease liability, and are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, adjusted for the remeasurement of the lease liability. The right-of-use assets are presented separately on the balance sheet.

Assets in use are depreciated on a straight-line basis over the earlier of the lease commencement date, the useful life of the asset, and the lease term.

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method and interest expense is amortized over the lease term. If there is a change in future lease payments due to a change in the lease term or in an index or rate used to determine lease payments, the Company remeasures the lease liability and adjusts the right-of-use asset accordingly; however, if the carrying amount of the right-of-use asset has been reduced to zero, the remaining remeasurement amount is recognized in profit or loss. Lease liabilities are presented separately on the individual balance sheets.

(xiv) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are included as part of the cost of that asset until substantially all activities necessary to bring the asset to its intended use or sale have been completed.

Investment income earned on specific borrowings that are temporarily invested before the qualifying capital expenditures are incurred is deducted from the borrowing costs eligible for capitalization.

Except for the above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(xv) Government subvention

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

Government grants related to revenue are recognized in other income on a systematic basis over the periods in which the costs they are intended to compensate are recognized as expenses by the Company. Government grants that are contingent upon the Company purchasing, constructing or otherwise acquiring non-current assets are recognized as deferred revenue and transferred to profit or loss on a reasonable and systematic basis over the useful lives of the related assets.

Government grants are recognized in profit or loss in the period in which they become receivable if the grants are intended to compensate for expenses or losses already incurred or are for the purpose of giving immediate financial support to the Company and have no future related costs.

The difference between the loan amount received and the fair value of the loan based on the prevailing market interest rate is recognized as government subsidy for below-market government loans.

(xvi) Employee Benefits

1. Short-term Employee Benefits

   The liabilities related to short-term employee benefits are measured at the undiscounted amount expected to be paid in exchange for employee services.

2. Post-employment benefits

   The defined contribution pension plan is recognized as an expense in the amount of pension contribution payable during the employees' service period.

   The defined benefit cost (including service cost, net interest and remeasurement) of the defined benefit pension plan is actuarially determined using the projected unit credit method. Service cost (including current service cost, prior service cost, and settlement gain or loss) and net interest on the net defined benefit liability (asset) are recognized as employee benefit expense when the plan is amended or curtailed as it occurs/when the settlement occurs. Remeasurements (including actuarial gains and losses, the effect of asset ceilings and compensation for plan assets net of interest) are recognized in other comprehensive income and included in retained earnings when incurred and are not reclassified to profit or loss in subsequent periods.

The net defined benefit liability (asset) represents the defined benefit pension plan's contribution deficiency (residual). The net defined benefit asset may not exceed the present value of the contributions refunded from the plan or reduce future contributions.

(xvii) Employee stock options

1. Employee stock options granted to employees.

   Employee stock options are recognized as expense on a straight-line basis over the vesting period based on the fair value determined at the date of grant and the best estimate of the number of shares expected to be vested, with a corresponding adjustment to capital surplus - employee stock options. If the options are vested immediately on the date of grant, the full amount is recognized as expense on the date of grant.

   The Company revises the estimated number of employee stock options expected to be vested at each balance sheet date. If the original estimate is revised, the effect is recognized in profit or loss so that the cumulative expense reflects the revised estimate, with a corresponding adjustment to capital surplus - employee stock options.

2. Equity-Settled Share-Based Payment Agreement for Employees of Subsidiaries

   Employee stock options granted to employees of subsidiaries and settled by the Company's equity instruments are regarded as capital contributions to subsidiaries and are measured at the fair value of the equity instruments on the date of grant and recognized as an increase in the carrying amount of the investment in subsidiaries during the vesting period, with a corresponding adjustment to capital surplus - employee stock options.

(xviii) Income tax

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

1. Current income tax

The additional income tax on undistributed earnings computed in accordance with the Income Tax Act of the ROC is recognized in the year when the shareholders resolve to retain the earnings.

Adjustments of prior years' income tax payable are included in current income tax.

2. Deferred income tax

Deferred income tax is calculated on temporary differences arising from the carrying amounts of assets and liabilities and the tax bases used to calculate taxable income.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is more likely than not that taxable assets will be available against which deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are recognized for deductible temporary differences associated with such investments only to the extent that it is probable that there will be sufficient taxable income against which to realize the temporary differences and it is probable that the temporary differences will reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the assets to be recovered. The carrying amount of deferred income tax assets not previously recognized is reviewed at each balance sheet date and increased to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the assets to be recovered. Deferred income tax assets and liabilities are measured at the present value of the expected settlement of the liability or realization of the asset.

Deferred income tax liabilities and assets are measured using tax rates that are based on tax rates and tax laws that have been legislated or substantively legislated at the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects to recover or settle the carrying amounts of its assets and liabilities at the balance sheet date.

3. Current and deferred income taxes

Current and deferred income taxes are recognized in profit or loss. However, current and deferred income taxes related to items recognized in other comprehensive income or directly in equity are recognized in other comprehensive income or directly in equity, respectively.

If the current income tax or deferred income tax is generated from the acquisition of a subsidiary, the income tax effect is included in the accounting treatment of the investment in the subsidiary.

5. Significant Accounting Judgments, Estimates and Key Sources of Assumption Uncertainty

In the application of accounting policies, management is required to make judgments, estimates and assumptions that are based on historical experience and other factors that are not readily apparent from other sources. Actual results may differ from these estimates.

The accounting policies, estimates and underlying assumptions used by the Company have been evaluated by the Company's management and there are no significant accounting judgments, estimates and assumptions that are uncertain.

6. Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash in hand and petty cash	$ 261	$ 66
Bank Demand Deposit	38,116	110,390
Cash equivalent		
Time deposits with original maturity of less than 3 months	-	93,852
	$ 38,377	$ 204,308

The interest rate range for bank deposits at the balance sheet date was as follows:

	December 31, 2024	December 31, 2023
Bank Deposit	0.002% to 0.80%	0.001%～ 5.200%

7. Financial assets at fair value through profit or loss

	December 31, 2024	December 31, 2023
Financial assets - liquidity		
Mandatory measurement at fair value through profit or loss		
Non-derivative financial assets		
-Beneficiary Certificates	$ -	$ 22,339

There were no outstanding forward exchange contracts as of December 31, 2024 and 2023. The purpose of engaging in forward exchange contracts is to hedge the risk of foreign currency assets and liabilities due to changes in foreign exchange rates; however, hedge accounting is not applicable because the conditions for an effective hedge are not met.

The net loss on financial instruments at fair value through profit or loss was $(788) thousand and $(1,234) thousand for the years 2024 and 2023, respectively.

8. Financial assets measured at amortized cost

	December 31, 2024	December 31, 2023
Current		
Original expiration date more than 3 months term deposit	$ -	$ 25,000
Bonds with Repurchase	338,208	-
	$ 338,208	$ 25,000
Total Carrying Amount	$ 338,208	$ 25,000
Allowance for losses	-	-
Amortized cost	$ 338,208	$ 25,000

The coupon rate on the bonds purchased with repurchase at December 31, 2024 was 1.73%.

As of December 31, 2023, the interest rate on time deposits with original maturity over 3 months was 1.40% per annum.

The credit risks of financial instruments such as bank deposits and bonds under repurchase agreements are measured and monitored by the finance department. The Corporation selects the counter-parties and the performing parties as banks and brokerage houses with good credit ratings.

9. notes receivable, accounts receivable (including related parties) and other receivables

	December 31, 2024	December 31, 2023
Notes Receivable		
Occurred as a result of operations	$ 462	$ 118
Less: Allowance for losses	-	-
	$ 462	$ 118
Accounts receivable		
Total Carrying Amount	$ 505,351	$ 298,215
Less: Allowance for losses	(961)	(22)
	504,390	298,193
Accounts receivable - related parties	18,390	28,458
	$ 522,780	$ 326,651
Other receivables		

	December 31, 2024	December 31, 2023
Others	$ 1,072	$ 2,050

(i) Notes Receivable

The Company has 80 days to honor notes receivable. To mitigate credit risk, the Company reviews the recoverable amount of accounts receivable individually at the balance sheet date to ensure that appropriate impairment losses have been recognized for uncollectible accounts receivable. Accordingly, the Company's management believes that the Company's credit risk has been significantly reduced.

The Company recognizes an allowance for losses on notes receivable based on the expected credit losses over the life of the notes. Expected credit losses over the life of the notes receivable are based on the customer's past default history, current financial condition and industry economic conditions. As of December 31, 2024 and 2023, the aging of notes receivable was not past due and the expected credit loss rate was 0%.

(ii) Accounts receivable

The average credit period for merchandise sales is 30～ 120 days from the end of the month, and no interest is accrued on accounts receivable.

In order to maintain the quality of receivables, the Company has established procedures to manage credit risk associated with its operations. The Corporation's risk assessment of individual customer is based on a number of factors that may affect the customer's ability to pay, including the customer's financial condition, aging analysis, and historical transaction history. The Company also uses certain credit enhancement tools, such as prepayment, to minimize the credit risk of specific customers.

In addition, the Company reviews the recoverable amount of receivables on a case-by-case basis at the balance sheet date to ensure that appropriate impairment losses have been recognized for uncollectible receivables. Accordingly, the Company's management believes that the Company's credit risk has been significantly reduced.

The Company recognizes an allowance for losses on accounts receivable based on the expected credit losses over the life of the accounts receivable. The expected credit losses for the remaining period are based on the customers' past defaults, current financial conditions, and the economic situation of the industry. The Company categorizes its customers into different risk groups based on historical experience and the customers' individual financial conditions. The Company uses different allowance matrices for each customer group and sets the expected credit loss rate based on the number of days past due for accounts receivable.

If there is evidence that the counterparty is in serious financial difficulty and the Company does not have a reasonable expectation of recovery, such as when the counterparty is in the process of liquidation, the Company will write off the receivable directly, but will continue to pursue the receivable, and the amount recovered will be recognized in profit or loss.

The allowance for losses on accounts receivable (including related parties), measured on a provision matrix, was as follows:

December 31, 2024

	Not Yet Due	1-30 days	31-60 days	61 to 90 days	91-120 days	over 120 days	Total
Expected credit loss rate	0.01%	0.04%	51.69%	89.95%	100%	100%	
Total Carrying Amount	$ 451,639	$ 69,246	$ 2,664	$ 165	$ -	$ 27	$ 523,741
Allowance for losses (expected credit losses over the period)	(32)	(27)	(726)	(149)	-	(27)	(961)
Amortized cost	$ 451,607	$ 69,219	$ 1,938	$ 16	$ -	$ -	$ 522,780

December 31, 2023

	Not Yet Due	1-30 days	31-60 days	61 to 90 days	91-120 days	over 120 days	Total
Expected credit loss rate	0.00%	0.00%	0.58%	3.36%	89.95%	100%	
Total Carrying Amount	$ 264,278	$ 52,845	$ 2,148	$ 7,402	$ -	$ -	$ 326,673
Allowance for losses (expected credit losses over the period)	(1)	(1)	(9)	(11)	-	-	(22)
Amortized cost	$ 264,277	$ 52,844	$ 2,139	$ 7,391	$ -	$ -	$ 326,651

Changes in the allowance for losses on accounts receivable were as follows:

	2024	2023
Balance at the beginning of the year	$ 22	$ 10,962
Add: Provision for impairment loss for the year	939	-
Less: Reversal of impairment loss for the year	-	(10,940)
Balance at the end of the year	$ 961	$ 22

(ii) Other receivables

The Company evaluated the expected recoverable amount of other receivables to be equal to the original carrying amount by taking into consideration the past default records of the other receivable targets, current financial condition and projections of future economic conditions, etc., and therefore did not need to recognize an allowance for losses.

10, Inventories

	December 31, 2024	December 31, 2023
Merchandise	$ 17,760	$ 20,391

The nature of cost of goods sold is as follows:

	2024	2023
Cost of inventories sold	$ 902,290	$ 622,599
Loss on decline in value of inventories (reversal of gain)	930	(160)
	$ 903,220	$ 622,439

11, Investments Accounted For Using Equity Method

	December 31, 2024	December 31, 2023
Investment subsidiaries - unlisted (over-the-counter) companies		
Cable Garden Holdings Limited	$ 454,248	$ 377,564
LINKUPON INTERNATIONAL LIMITED	139,242	131,391
Vsovn Electronics (HANOI) Company Limited	153,642	150,636
	$ 747,132	$ 659,591

	Percentage of Ownership and Voting Rights	
	December 31, 2024	December 31, 2023
Name of Subsidiary		
Cable Garden Holdings Limited	100%	100%
LINKUPON INTERNATIONAL	60%	60%

LIMITED
Vsovn Electronics (HANOI) Company Limited | 100% | 100%

The establishment of Vsovn Electronics (HANOI) Company Limited was approved by the board of directors' meeting on May 3, 112, and the establishment and registration was completed on September 7, 112, with an original investment of US$5,000 thousand.

In FY2023, the Corporation received a capital reduction and remittance of $52,565 thousand from Cable Garden Holdings Limited and distributed cash dividends of $79,200 thousand; in FY2024 and FY2023, the Corporation received cash dividends of $12,600 thousand and $22,800 thousand, respectively, from LINKUPON INTERNATIONAL LIMITED

For details of the Company's indirectly held investment subsidiaries, please refer to Note 34.

For the years ended December 31, 2024 and 2023, investments accounted for under the equity method and the Company's share of its subsidiaries' income or loss and other comprehensive income or loss were recognized on the basis of the subsidiaries' audited financial statements for the same periods.

12. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery Equipment	Transportation Equipment	Other Equipment	construction in progress	Total
Cost							
Balance 1/1/2024	$ 65,705	$ 41,995	$ 10,744	$ 535	$ 13,049	$ 2,539	$ 134,567
add	-	-	-	3,040	1,348	221	4,609
Reclassification	-	-	-	-	2,760	(2,760)	-
Balance of December 31, 2024	$ 65,705	$ 41,995	$ 10,744	$ 3,575	$ 17,157	$ -	$ 139,176
Accumulated depreciation							
Balance 1/1/2024	$ -	($ 7,465)	($ 2,948)	($ 366)	($ 5,552)	$ -	($ 16,331)
Depreciation expense	-	(1,093)	(857)	(715)	(2,095)	-	(4,760)
Balance of December 31, 2024	$ -	($ 8,558)	($ 3,805)	($ 1,081)	($ 7,647)	$ -	($ 21,091)
Net amount as of 12/31/2024	$ 65,705	$ 33,437	$ 6,939	$ 2,494	$ 9,510	$ -	$ 118,085
Cost							
Balance 1/1/2023	$ 65,705	$ 41,995	$ 2,530	$ 535	$ 12,073	$ 269	$ 123,107
add	-	-	8,571	-	976	2,270	11,817
	-	-	(357)	-	-	-	(357)
Balance of December 31, 2023	$ 65,705	$ 41,995	$ 10,744	$ 535	$ 13,049	$ 2,539	$ 134,567
Accumulated depreciation							

Balance 1/1/2023	$ -	($ 6,372)	($ 2,204)	($ 259)	($ 3,816)	$ -	($ 12,651)
Depreciation expense	-	(1,093)	(1,101)	(107)	(1,736)	-	(4,037)
	-	-	357	-	-	-	357
Balance of December 31, 2023	$ -	($ 7,465)	($ 2,948)	($ 366)	($ 5,552)	$ -	($ 16,331)
Net amount as at December 31, 2023	$ 65,705	$ 34,530	$ 7,796	$ 169	$ 7,497	$ 2,539	$ 118,236

Depreciation expense is provided on a straight-line basis over the following useful lives:

Buildings	32 to 50 years
Machinery Equipment	3 to 10 years
Transportation Equipment	5 years
Others	2 to 10 years

Please refer to Note 31 for the amount of property, plant and equipment pledged as collaterals for loans.

13, Lease Agreements

(i) Right-of-use assets

	2024	2023
Depreciation expense on assets under license		
Transportation Equipment	$ -	$ 1,572

Except for the depreciation recognized as listed above, there were no significant subleases or impairments of the Company's right-of-use assets for the year ended December 31, 2023.

(ii) Lease liabilities

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

	December 31, 2024	December 31, 2023
Transportation Equipment	-	1.35%

(iii) Important Tenant Activities and Terms and Conditions

The Company leases transportation equipment for a period of three years. Upon termination of the lease, the Company does not have a preemptive right to purchase the leased vehicles.

(iv) Other Leasing Information

	2024	2023
Short-term lease charges and lease charges for low-value	$ 381	$ 653

	2024	2023
assets		
Total leasehold cash (outflow)	($ 381)	($ 2,251)

The Company has elected to apply the recognition exemption to parking spaces that qualify as short-term leases and office equipment, warehouse and vehicle leases that qualify as low-value asset leases, and does not recognize the related right-of-use assets and lease liabilities for these leases.

14. Intangible assets

	Computer Software	Patent License	Total
Cost			
Balance 1/1/2024	$ 7,994	$ 12,443	$ 20,437
get	1,334	9,152	10,486
Balance of December 31, 2024	$ 9,328	$ 21,595	$ 30,923
Accumulated amortization			
Balance 1/1/2024	$ 1,726	$ 6,222	$ 7,948
Amortization expense	2,106	4,254	6,360
Balance of December 31, 2024	$ 3,832	$ 10,476	$ 14,308
Net amount as of 12/31/2024	$ 5,496	$ 11,119	$ 16,615
Cost			
Balance 1/1/2023	$ 3,177	$ 12,443	$ 15,620
get	4,817	-	4,817
Balance of December 31, 2023	$ 7,994	$ 12,443	$ 20,437
Balance 1/1/2023	$ 431	$ 3,111	$ 3,542
Amortization expense	1,295	3,111	4,406
Balance of December 31, 2023	$ 1,726	$ 6,222	$ 7,948
Net amount as at December 31, 2023	$ 6,268	$ 6,221	$ 12,489

Amortization expense is accrued on a straight-line basis over the following useful lives

Patent License	4 years
Computer Software	3 to 7 years

Amortization is aggregated by function:

	December 31, 2024	December 31, 2023
Operating Costs	$ 4,254	$ 3,111
Selling expenses	112	19
General and administrative expenses	381	181
Research and development costs	1,613	1,095
	$ 6,360	$ 4,406

15. other assets

	December 31, 2024	December 31, 2023
Current		
Prepaid retirement benefits (Note 20)	$ -	$ 373
Prepayments	1,566	1,143
	$ 1,566	$ 1,516
Non-current		
Margin deposits (note 31)	$ 524	$ 3,572
Prepayment of real estate purchase	14,285	-
Others	402	-
	$ 15,211	$ 3,572

16. Loans

(i) Short-term borrowings

	December 31, 2024	December 31, 2023
Bank Credit	$ -	$ 56,249
Bank Guarantee	34,750	127,065
	$ 34,750	$ 183,314

The interest rate on bank credit borrowings was 6% as of December 31, 2023; the interest rate on bank guaranteed borrowings was 0.50% and 1.96% as of December 31, 2024 and 2023, respectively, for which the Chairman of the Board of Directors, Mr. Chien Chung Cheng, acted as a joint and several guarantor in his personal capacity.～ 6.44%.

In May 2024, the Corporation entered into a loan contract with a bank for $35,000 thousand under the "Ministry of Economic Affairs

Low-Carbon Intelligent Nanotube Project Loan", which was subsidized by the Ministry of Economic Affairs for one year at the mechanized interest rate of the two-year time deposits of Chunghwa Post, and the actual interest rate borne by the Corporation as of December 31, 2024 was 0.50%, and the loan period was from May 13, 2024 to May 13, 2025, with interest payable monthly and principal repayment due at maturity. Interest is payable monthly and principal is due on maturity.

(ii) Long-term loans

	December 31, 2024	December 31, 2023
Guaranteed Borrowing		
Bank Borrowing	$ 10,000	$ -
Less: Discount on government grants	(147)	-
	$ 9,853	$ -

In December 2024, the Company entered into a loan agreement with a bank for $10,000 thousand under the "Overseas Investment Financing Project Loan from China Development Fund", with the loan period from December 10, 2024 to December 10, 2029, and the principal and interest are to be repaid on a monthly basis after a 24-month grace period, and the interest rate of the loan was 1.772019% with the chairman of the board of directors, Mr. Chien Chung-cheng, serving as the guarantor as an individual. The interest rate was 1.772019%.

17. Accounts Payable

	December 31, 2024	December 31, 2023
Accounts payable		
Occurred as a result of operations	$ 4,722	$ 14,928

The average credit period for purchases of merchandise is 30～ 120 days at the end of each month.

18. Other liabilities

	December 31, 2024	December 31, 2023
Current		
Other payables		
Salary and Bonus Payable	$ 28,078	$ 22,084
Premiums payable	1,324	1,127
Employee compensation payable	8,449	4,994
Directors' remuneration payable	3,748	1,947

Business tax payable	856	2,549
Others	7,850	8,234
	$ 50,305	$ 40,935
Other liabilities		
Refund liabilities (Note 22)	$ 2,247	$ 628
Deferred income from government grants (Note 16)	292	-
Others	1,185	861
	$ 3,724	$ 1,489
Non-current		
Other liabilities		
Deferred income from government grants (Note 16)	$ 105	$ -

19. Provision for liabilities

	December 31, 2024	December 31, 2023
Current		
Warranty	$ 1,157	$ 718

The allowance for warranty liabilities is based on the present value of management's best estimate of future economic outflows resulting from warranty obligations under contracts for the sale of goods. The estimates are based on historical warranty experience and are adjusted for new raw materials, changes in manufacturing processes or other factors affecting product quality.

20. Post-employment Benefits Program

(i) Determination of allocation plan

Under the Labor Pension Act, the Company's pension plan is a government-administered defined contribution plan. The Company contributes 6% of the employees' monthly wages to the employees' individual accounts at the Bureau of Labor Insurance.

(ii) Defined Benefit Plans

The Company's pension plan under the Labor Standards Law of the ROC is a defined benefit plan administered by the government. Pension payments are based on the number of years of service and the average salary of the six months prior to the approved retirement date. The Company contributes 2% of the employees' monthly wages to the

Labor Pension Fund Supervisory Committee (LPSC) and deposits the amount in the name of the LPSC in a special account at the Bank of Taiwan. If the balance of the special account is insufficient to provide for the retirement of the employees who are expected to meet the retirement requirements in the following year, the Company will make a lump-sum contribution to the special account by the end of March of the following year. The management of this account is entrusted to the Bureau of Labor Funds of the Ministry of Labor, and the Company has no right to influence the investment management strategy.

Defined benefit plan amounts included in the individual balance sheets are presented below:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligation	$ -	$ -
Fair value of plan assets	-	(373)
Net Defined Benefit Liability (Asset)	$ -	($ 373)

The changes in the net defined benefit obligation (asset) are as follows:

	Defined Benefit Present Value of Obligations	Plan assets Fair value	Net defined benefit Liabilities (assets)
January 1,2023	$ 14,699	($ 5,611)	$ 9,088
Service Costs			
Current Service Costs	275	-	275
Front-end service costs	(268)	-	(268)
Interest expense (income)	184	(72)	112
Recognized in profit or loss	191	(72)	119
Remeasurement			
Return on plan assets	-	(55)	(55)
actuarial benefits -Experience Adjustment	(763)	-	(763)
Recognized in other comprehensive income	(763)	(55)	(818)
Employer funding	-	(103)	(103)
Benefit payments	(14,127)	5,468	(8,659)
December 31, 2023	$ -	($ 373)	($ 373)

In fiscal year 2023, the Corporation reached an agreement with the employees of the applicable defined benefit pension plan to close their seniority. In January 2024, the Corporation was approved by the competent authority to cancel the employees' pension reserve accounts and completed the settlement of the Bank of Taiwan's pension reserve account in April 2024. Upon settlement, the Corporation recovered the original prepaid pension of $373 thousand as of December 31, 2023, and also recovered the overflow of $524 thousand, which was recorded as interest income of $19 thousand and other income of $505 thousand, respectively. These receipts were recorded as interest income of $19 thousand and other income of $505 thousand, respectively.

The amounts recognized in profit or loss for defined benefit plans are summarized by function as follows:

	2023
Selling expenses	$ -
General and administrative expenses	119
	$ 119

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

1. Investment risk: The Bureau of Labor Standards, Ministry of Labor, invests the Labor Pension Fund in domestic (foreign) equity securities, debt securities and bank deposits through self-investment and entrustment. However, the amount of plan assets allocated to the Company is calculated based on the local bank's 2-year time deposit interest rate.
2. Interest Rate Risk: A decrease in interest rates on corporate bonds would increase the present value of the defined benefit obligation, but this would be accompanied by an increase in the return on the investment of plan assets in debt, both of which would have a partially offsetting effect on the net defined benefit obligation.
3. Salary Risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan members. Therefore, an increase in plan members' salaries will increase the present value of the defined benefit obligation.

The present value of the Company's defined benefit obligation was actuarially determined by a qualified actuary and the significant assumptions at the measurement date were as follows:

	December 31, 2023
Discount rate	1.25%
Expected rate of payroll increase	2.50%

21. Equity

(i) Share capital

Ordinary shares

	December 31, 2024	December 31, 2023
Number of Shares (Thousands)	60,000	60,000
Nominal share capital	$ 600,000	$ 600,000
Shares issued and fully paid (in thousands)	41,716	37,530
Issued share capital	$ 417,165	$ 375,302

The outstanding common stock has a par value of $10 per share and each share carries the right to vote and to receive dividends.

On May 11, 2023, the stockholders' meeting resolved to amend the Articles of Incorporation to increase the number of rated shares to 60,000 thousand shares, with a rated capital of $600,000 thousand. On June 29, 2023, the Company completed the registration of change in the rated capital by reserving 6,000 thousand shares for the use of employee stock option certificates. Employee stock options are issued to employees of controlled or subordinate companies who meet certain criteria.

On May 11, 2023, the stockholders' meeting resolved to issue 3,406 thousand shares of new stock through capital increase, and the record date for the capital increase was June 5, 2023, and the registration of the capital increase was completed on June 29, 2023, which is the same as the record date for the capital increase.

On July 23, 2024, the board of directors resolved to issue 3,660 thousand new shares, par value $10 per share, for cash before the initial listing on the Taiwan Stock Exchange, which was declared as effective by the Securities and Futures Bureau (SFC) in its letter No.

1130007053 dated August 9, 2024; the above cash capital increase included the issuance of new shares at a premium of NT$100.73 per share through subscription by employees and underwriting of the public bidding price, and the total amount of $365,577 thousand, net of underwriting costs, was fully received. The total amount of $365,577 thousand, net of underwriting fees, was received in full, and the capital increase was completed on October 14, 2024, with September 27, 2024, as the record date.

For the year ended December 31, 2023, the Company's stock options of 61 thousand shares granted on February 1,2021, 4 thousand shares granted on October 1, 2021, and 62 thousand shares granted on June 1, 2022, with subscription price of NT$20, NT$20, and NT$30 per share, respectively, were exercised by the employees, and the registration of the change was completed before December 31, 2023.

For the year ended December 31, 2024, the Company's stock options granted to employees on February 1, 2021 (434 thousand shares), October 1, 2021 (55 thousand shares), and June 1, 2022 (37 thousand shares), with subscription price of NT$20, NT$20, and NT$30 per share, respectively, were exercised by employees, and the registration of the change was completed by December 31, 2024, respectively.

Please refer to Note 26 for the description of the employee stock options.

(ii) Capital reserve

	December 31, 2024	December 31, 2023
The Company's assets and liabilities may be used to make good losses, to make cash payments or to capitalize (Note)		
Share issue premium	$ 563,750	$ 223,467
Available to cover losses		
Other - Exercise of reversionary rights	928	-
Not to be used for any purpose		
Employee stock options	836	4,377
	$ 565,514	$ 227,844

Note: Capital surplus may be used to offset a deficit: This type of capital surplus may be used to offset a deficit or, if the company is not in deficit, may be used to distribute cash or capitalize capital, provided that the capitalization is limited to a certain percentage of the paid-in capital each year.

Reconciliations of the balance of each type of capital surplus for the years ended January 1, 2024 and 2023 to December 31, are as follows:

	Share Issuance Premium	Employee stock options	others	Total
Balance 1/1/2024	$ 223,467	$ 4,377	$ -	$ 227,844
Cash Capital Increase	328,977	-	-	328,977
Recognized share-based payment	-	2,129	-	2,129
Exercise of share options by employees	11,306	(5,670)	-	5,636
Exercise of vesting rights	-	-	928	928
Balance of December 31, 2024	$ 563,750	$ 836	$ 928	$ 565,514
Balance 1/1/2023	$ 220,388	$ 4,615	$ -	$ 225,003
Recognized share-based payment	-	955	-	955
Exercise of share options by employees	3,079	(1,193)	-	1,886
Balance of December 31, 2023	$ 223,467	$ 4,377	$ -	$ 227,844

(iii) Retained earnings and dividend policy

In accordance with the Company's Articles of Incorporation, 10% of the Company's earnings should be set aside as legal reserve after the Company has estimated and retained its taxable earnings and made up for any deficit, unless the legal reserve has reached the amount of paid-in capital. The remaining balance should be set aside or reversed as a special reserve in accordance with laws and regulations and the requirements of the competent authorities. If there is any remaining surplus after deducting the aforementioned items, the board of directors shall prepare a resolution on the appropriation of the surplus and submit it to the shareholders' meeting for approval.

The distribution of dividends and bonuses by the Company, in whole or in part in the form of cash payments, is authorized to be resolved by the Board of Directors and reported to the shareholders in general meeting.

In accordance with the Company's Articles of Incorporation, the appropriation of earnings may be in the form of cash dividends or stock dividends, with the appropriation of earnings to be at least 35% of the distributable earnings, and cash dividends to be at least 20% of the total amount of dividends to be distributed. The aforementioned rates of distribution of earnings and cash dividends to shareholders may be adjusted in the shareholders' meeting depending on actual earnings and capital requirements.

The Company's Articles of Incorporation provide for the distribution of compensation to employees and directors and supervisors. See Note 23 (7) Compensation to Employees and Directors.

The legal reserve should be appropriated until the balance reaches the Company's total paid-in capital. The legal reserve may be used to offset a deficit. If the Company has no deficit, the excess of the legal reserve over 25% of the Company's paid-in capital may be transferred to capital and distributed in cash.

If there is insufficient unappropriated earnings to provide for the special reserve for other equity in earnings accumulated in prior periods, the special reserve is provided from the current period's net income plus items other than net income after income tax, which are included in the current period's unappropriated earnings.

The appropriations of the Company's surplus for fiscal years 2023 and 2022 were as follows:

	2023	2022
Legal reserve	$ 11,495	$ 36,055
Special reserve	$ 11,815	$ 40,666
Cash dividends	$ 75,921	$ 153,279
Stock dividends	$ -	$ 34,062
Cash dividends per share ($)	$ 2.0	$ 4.5
Stock dividends per share ($)	$ -	$ 1.0

The above shareholders' cash dividends were resolved to be distributed by the Board of Directors on March 28, 2024 and March 27, 2023, respectively, and the remaining items of earnings distribution were resolved by the shareholders at their regular meetings on May 15, 2024 and May 11,2023, respectively.

The appropriation of earnings for fiscal year 2024, as proposed by the Board of Directors on March 13, 2025, was as follows:

	2024
Legal reserve	$ 18,544
Special reserve (reversal)	($ 18,030)
Cash dividends	$ 83,433
Stock dividends	$ 20,858
Cash dividends per share ($)	$ 2.0
Stock dividends per share ($)	$ 0.5

The above shareholders' cash dividends have been resolved by the Board of Directors to be distributed, and the remainder is subject to the resolution of the regular shareholders' meeting expected to be held on 12/5/2025.

(iv) Special surplus reserve

	2024	2023
Balance at the beginning of the year	$ 40,666	$ -
Special reserve	11,815	40,666
Balance at the end of the year	$ 52,481	$ 40,666

(v) Exchange differences on translation of financial statements of foreign operating organizations

	2024	2023
Balance at the beginning of the year	($ 52,481)	($ 40,666)
Exchange differences arising from the translation of financial statements of foreign operators	18,030	(11,815)
Balance at the end of the year	($ 34,451)	($ 52,481)

22. Revenue

	2024	2023
Revenue from customer contracts		
Revenue from sales of goods	$ 1,176,694	$ 824,783
Compensation Income	23,085	47,660
	$ 1,199,779	$ 872,443

(I) Description of the Customer Contract

In accordance with business practice, the Company's sales revenue is derived from the sales of various connecting cables for the Internet of Things, cloud, industrial control, medical and automotive applications. Taking into consideration of the past year's transaction history with some of the sales customers, the Company estimated the discount amount based on the most probable amount, based on which the refundable liabilities were recognized (classified as other current liabilities) Please refer to Note 18 for more details.

(ii) Contract balance

	December 31, 2024	December 31, 2023	January 1, 2023
Notes receivable (Note 9)	$ 462	$ 118	$ -
Accounts receivable (Note 9)	$ 504,390	$ 298,193	$ 342,259
Accounts receivable - related parties (Note 30)	$ 18,390	$ 28,458	$ 14,638
Contract liabilities - current	$ -	$ 362	$ 130

The amount of contractual liabilities from the beginning of the year and performance obligations satisfied in prior periods recognized as revenue in the current period is as follows.

	2024	2023
From contractual liabilities at the beginning of the year		
Merchandise Sales	$ 362	$ 130

(iii) Breakdown of revenue from customer contracts

	2024	2023
AIOT Intelligent Internet of Things Application Cable Set	$ 498,457	$ 338,757
Computer Consumer Electronics	485,297	380,034

Cable Assemblies		
Others-Connection cable set	216,025	153,652
	$ 1,199,779	$ 872,443

23. Net profit for the year

Net income for the year consisted of the following items:

(i) Interest income

	2024	2023
Interest income		
Bank Deposit	$ 1,293	$ 3,570
Lending to related parties (Note) (Note 30)	715	699
Interest on Deposits	4	45
Bonds with Repurchase	1,016	-
Other (note 20)	19	-
	$ 3,047	$ 4,314

(ii) Other income

	2024	2023
Rental income (Note 30)	$ 600	$ 600
Government supplemental income (Note 27)	349	-
Other (Note 20)	2,121	3,866
	$ 3,070	$ 4,466

(iii) Other benefits and losses

	2024	2023
Disposal of interests in real property, plant and equipment	$ 35	$ 6
Loss on financial assets at fair value through profit or loss (Note 7)	(788)	(1,234)
Net foreign currency translation gains	13,540	1,870
	$ 12,787	$ 642

(iv) Finance Costs

	2024	2023
Interest on bank loans (Note 27)	$ 4,312	$ 1,471
Interest on Leasehold Debt	-	11
	$ 4,312	$ 1,482

(v) Depreciation and amortization

	2024	2023
An analysis of depreciation - by function		
Operating Expenses	$ 4,760	$ 5,609

	2024	2023
An analysis of amortization - by function An analysis of amortization - by function		
Operating Costs	$ 4,254	$ 3,111
Operating Expenses	2,106	1,295
	$ 6,360	$ 4,406

(vi) Employee benefit expenses

	2024	2023
Short-term Employee Benefits	$ 120,099	$ 98,202
Share-based Payment Settlement of Interests	2,022	1,000
Post-employment benefits		
Determine the funding program	4,146	3,671
Defined Benefit Plans (Notes) xx)	-	119
Total Employee Benefit Costs	$ 126,267	$ 102,992
Summary by Function		
Operating Expenses	$ 126,267	$ 102,992

(vii) Remuneration of employees and remuneration of directors

After retaining the amount of loss to be covered, the Company should allocate 2% to 10% of the profit, if any, for employees' compensation and not more than 2% for directors' compensation, based on the pre-tax profit before deducting the distribution of employees' compensation and directors' compensation for the current year.

Employee compensation and director compensation for fiscal years 2024 and 2023 were resolved by the Board of Directors on March 13, 2025 and March 28, 2024, respectively, as follows:

Estimated percentage

	2024	2023
Employee Remuneration	3.50%	3.30%

	2024	2023
Directors' Remuneration	1.55%	1.29%

Amount

	2024	2023
Staff remuneration (cash)	$ 8,449	$ 4,994
Directors' remuneration (cash)	$ 3,748	$ 1,947

Changes in accounting estimates subsequent to the adoption of the annual financial statements are recognized as adjustments in the following year.

The actual amount of employee compensation allotted for the years 2023 and 2022 did not differ from the amount recognized in the individual financial reports for the years 2023 and 2022.

For the above information on employees' compensation and directors' compensation resolved by the Board of Directors of the Company, please visit the Market Observation Post System of the Taiwan Stock Exchange.

(viii) Foreign currency exchange gains and losses

	2024	2023
Total foreign currency exchange gains	$ 24,783	$ 20,216
Total foreign currency exchange losses	(11,243)	(18,346)
Net profit	$ 13,540	$ 1,870

24. Income tax

(i) Major components of income tax expense recognized in profit or loss

	2024	2023
Current income tax		
Current year's producers	$ 28,483	$ 39,064
Increase in unappropriated earnings	786	4,825
Adjustments to prior years	382	730
	29,651	44,619
Deferred income tax		
Current year's producers	13,978	(14,506)
Income tax expense recognized in profit or loss	$ 43,629	$ 30,113

Reconciliation of accounting income to income tax expense is as follows:

	2024	2023
Net income before tax	$229, 201	$ 144,394
Income tax at statutory rate on net income before income tax	$ 45,840	$ 28,878
Non-deductible expenses for tax purposes	185	-
Tax-free income	(3,564)	(4,320)
Increase in unappropriated earnings	786	4,825
Adjustment of current year's income tax expense for prior years	382	730
Income tax expense recognized in profit or loss	$ 43,629	$ 30,113

(ii) Income tax expense recognized in other comprehensive income (loss)

	2024	2023
Deferred income tax		
Current year's producers -Certainty Benefit Plan Remeasurement	($ 87)	($ 163)

(iii) Deferred income tax assets and liabilities

2024

	Balance at the beginning of the year	Recognized in profit or loss	Recognized in other comprehensive income	Balance at the end of the year
Deferred income tax assets				
Temporary differences				
Loss on decline in value of inventories	$ 239	$ 186	$ -	$ 425
Unrealized gross profit on sales	175	(93)	-	82
Others	1,023	(423)	-	600
	$ 1,437	($ 330)	$ -	$ 1,107
Deferred income tax liabilities				
Temporary differences				
Investment income recognized under the equity method	$ 20,932	$ 12,786	$ -	$ 33,718
Defined Benefit Retirement Plan	75	(162)	87	-
Others	94	1,024	-	1,118
	$ 21,101	$ 13,648	$ 87	$ 34,836

2023

	Balance at the beginning of the year	Recognized in profit or loss	Recognized in other comprehensive income	Balance at the end of the year
Deferred income tax assets				
Temporary differences				
Loss on decline in value of inventories	$ 271	($ 32)	$ -	$ 239
Unrealized gross profit on sales	60	115	-	175
Defined Benefit Retirement Plan	1,817	(1,654)	(163)	-
Others	1,021	2	-	1,023
	$ 3,169	($ 1,569)	($ 163)	$ 1,437
Deferred income tax liabilities				
Temporary differences				
Investment income recognized under the equity method	$ 37,176	($ 16,244)	$ -	$ 20,932
Defined Benefit Retirement Plan	-	75	-	75
Others	-	94	-	94
	$ 37,176	($ 16,075)	$ -	$ 21,101

(iv) Current income tax assets and liabilities

	December 31, 2024	December 31, 2023
Current income tax liabilities		
Income tax payable	$ 9,610	$ 35,742

(v) Income tax authorizations

The Company's income tax returns through FY111 have been examined by the tax authorities.

25. Earnings per share

	2024	2023
Basic earnings per share	$ 4.78	$ 3.05
Diluted earnings per share	$ 4.74	$ 3.01

The net income and weighted average number of common shares used in calculating earnings per share were as follows:

Net profit for the year

	2024	2023
Net profit for the purpose of basic/diluted earnings per share	$ 185,572	$ 114,281

Number of Shares	Unit: Thousand shares	
	2024	2023
Weighted average number of common shares used in basic earnings per share calculation	38,823	37,491
Effect of dilutive potential common stock:		
Employee stock options	193	134
Employee Remuneration	115	347
Weighted average number of common shares used in the calculation of diluted earnings per share (EPS)	39,131	37,972

If the Company has the option to grant employees' compensation in the form of stock or cash, the calculation of diluted earnings per share assumes that the employees' compensation will be granted in the form of stock and will be included in the weighted-average number of common shares outstanding when the potential common shares have a dilutive effect on the calculation of diluted earnings per share. The dilutive effect of these potential common shares continues to be taken into account in the calculation of diluted earnings per share until the number of shares of employees' compensation is resolved at the next annual stockholders' meeting.

26. Share Base Benefit Agreement

(I) Employee stock option plan with cash capital increase

On July 23, 2024, the board of directors resolved to retain employees' subscription for the initial pre-listing cash capital increase, of which 189 thousand shares were subscribed by employees, and the compensation cost recognized in FY113 was $1,395 thousand.

The Company uses the Black-Scholes valuation model for employee stock options granted, and the inputs used in the valuation model are as follows:

Give day stock price	106.77 per share
Exercise price	100.73 per share
Expected volatility	44.98%
Duration	9th
Risk-free rate	1.3138%

(ii) Employee Stock Option Plan

1. On December 30, 2020, the Board of Directors resolved the first (including the second consolidation into the first) employee stock option issuance and stock subscription plan for the year 2021, and granted 1,905 units of employee stock options on February 1, 2021, each unit is entitled to subscribe for 1,000 shares of the Company's common stock, which may be issued in several installments after the Board of Directors' approval and delivered through the issuance of new shares to be issued to employees who The employee stock option certificates are issued to employees of the Company who meet certain criteria. Employees may exercise 40% of the units granted by the Company after one year from the date of grant of the stock options. After two years from the date of grant of the stock options and after the Company has met the financial criteria, the holder may exercise 30% of the units granted by the Company. Upon the expiration of three years after the granting of the stock options and upon the Company's fulfillment of the financial criteria, the holders of the stock options may exercise 30% of the units of the stock options granted by the Company. The exercise price of the stock options is NT$20 per share. After the issuance of the stock options, the exercise price of the stock options will be adjusted in accordance with a prescribed formula in the event that the Company's common stock suffers a capital reduction to cover a loss.

   On July 11, 2022, the Board of Directors resolved the additional terms of the first employee stock option issuance and subscription plan for the year 2021, which stipulated that employees may exercise 30% of the units of the Company's stock options after two years from the date of granting the stock options and after the Company has met the financial targets; however, since the first half of the year 2022 exceeded the financial targets, the Company was allowed to exercise 30% of the units of the Company's stock options earlier than the original schedule. However, because the financial indicators for the first half of 2022 had exceeded the original conditions, the Company was allowed to exercise 30% of the units granted by the Company on August 1, 2022, earlier than scheduled.

2. On December 30, 2020, the Board of Directors resolved to issue the Third Employee Stock Warrant Issuance and Warrant Plan for the year 110. 150 units of employee stock warrants were granted on February 1, 2021, each of which is entitled to subscribe for 1,000 shares of the Company's common stock, which may be issued in several installments and delivered by way of issuance of new shares after the Board of Directors' approval, to employees of subsidiaries of LINKUPON INTERNATIONAL LIMITED. and its Ltd. and its subsidiaries who meet certain criteria. Employees may exercise 40% of the number of units granted by the Company after one year from the date of granting of the stock option. After two years from the date of granting of the stock option, and after LINKUPON INTERNATIONAL LIMITED meets the conditions of the financial indicators, the holder of the stock option may exercise 30% of the number of units granted by the Company. After the expiration of 3 years and the fulfillment of the financial indicators by the subsidiary, the certificate holder may exercise the stock option granted by the Company for 30% of the number of units. The exercise price of the stock options is NT$20 per share. After the issuance of the stock options, the exercise price of the stock options will be adjusted in accordance with the prescribed formula in the event that the Company's common stock suffers a capital reduction to make up for a loss.

3. On September 29, 2020, the Board of Directors resolved the fourth issuance of employee stock options and stock option plan for the year ended December 31, 2020, under which the Company granted 250 units of employee stock options on October 1, 2020, each unit of which is entitled to subscribe for 1,000 shares of the Company's common stock, which may be issued in several

installments and delivered through the issuance of new shares after the Board of Directors' approval, to employees of the Company who meet certain criteria. The employees' stock options have a term of 3.33 years. After 4 months from the date of grant of the stock options, the holders may exercise 40% of the number of units granted by the Company; after 1 year and 4 months from the date of grant of the stock options and after the Company has met the financial criteria, the holders may exercise 30% of the number of units granted by the Company; after 2 years and 4 months from the date of grant of the stock options and the Company has met the financial criteria, the holders may exercise 30% of the number of units granted by the Company; and after 2 years and 4 months from the date of grant of the stock options, the holders may exercise 30% of the number of units granted by the Company. After the expiration of 2 years and 4 months from the date of granting the stock options, and after the Company has met the financial criteria, the certificate holders may exercise 30% of the units of stock options granted by the Company. The exercise price of the stock options is NT$20 per share. After the issuance of the stock options, the exercise price of the stock options will be adjusted in accordance with the prescribed formula in the event that the Company's common stock suffers a capital reduction to cover a loss.

On July 11,2022, the Board of Directors resolved the additional terms of the Fourth Employee Stock Option Issuance and Warrant Method for the year 2021, which provided that employees may exercise 30% of the units of the Company's stock options after two years from the date of the grant of the stock options and after the Company has met the financial criteria; however, due to the first half of the year 2022 has exceeded the financial criteria, the Company was able to exercise 30% of the units of the Company's stock options earlier than the original terms. However, because the financial indicators for the first half of 2022 had exceeded the original conditions, the Company was allowed to exercise 30% of the units granted by the Company on August 1, 2022, earlier than scheduled.

4. On April 14, 2022, the Board of Directors resolved the first employee stock option issuance and stock subscription plan for the year of 2022, under which 200 units of employee stock options were granted on June 1, 2022, each unit of which is entitled to subscribe for 1,000 shares of the Company's common stock, and each unit of which may be issued in several installments and delivered through the issuance of new shares after the Board of Directors' approval, to the Company's employees who meet certain criteria and to non-operational employees. The employee stock options are granted to employees and non-civil servants of the Company who meet certain criteria. The employee stock options have a term of 4 years. After the employees of a business unit have been granted the stock options for 1 year and have met the financial criteria of their respective departments, the certificate holders may exercise 1/3 of the number of units granted by the Company; after the employees have been granted the stock options for 2 years and have met the financial criteria of their respective departments, the certificate holders may exercise 1/3 of the number of units granted by the Company; after the employees have been granted the stock options for 3 years and have met the financial criteria of their respective departments, the certificate holders may exercise 1/3 of the number of units granted by the Company; and after the employees have been granted the stock options for 3 years and have met the financial criteria of their respective departments, the certificate holders may exercise the stock options for 3 units granted by the Company. Upon the expiration of 3 years from the date of granting the stock option and after the Company satisfies the conditions of the financial index, the certificate holder may exercise the stock option granted by the Company to 1/3 of the

number of units; upon the expiration of 1 year from the date of granting the stock option, the certificate holder may exercise the stock option granted by the Company to 40% of the number of units; upon the expiration of 2 years from the date of granting the stock option and upon the Company satisfying the conditions of the financial index, the certificate holder may exercise the stock option granted by the Company to 30% of the number of units; upon the expiration of 2 years from the date of granting the stock option, the certificate holder may exercise the stock option granted by the Company to 40% of the number of units. Upon the expiration of 2 years from the date of grant and upon the Company's fulfillment of the financial indicators, the certificate holder may exercise 30% of the units granted by the Company. Upon the expiration of 3 years from the date of grant and upon the Company's fulfillment of the financial indicators, the certificate holder may exercise 30% of the units granted by the Company. The exercise price of the stock options is NT$30 per share. After the issuance of the stock options, the exercise price of the stock options will be adjusted in accordance with the prescribed formula in the event that the Company's common stock suffers a capital reduction to make up for a loss.

5. On December 27, 2023, the Board of Directors resolved, and on May 15, 2024, the Board of Directors amended, the First Employee Stock Option Issuance and Subscription Plan for the Year 2023, under which the Company expects to grant a total of 300 units of stock options to employees, each of which is entitled to subscribe for 1,000 shares of the Company's common stock, and which, after approval by the Board of Directors, may be issued in several installments and delivered through the issuance of new shares to employees who meet certain criteria. The Company's Board of Directors has approved the issuance of 1,000 shares of the Company's common stock per unit. On October 8, 2024, the Company granted 130 units of stock options to

employees, which have a term of 4 years. 2 years after the granting of the stock options, the holders of the stock options may exercise 50% of the units granted by the Company, and 3 years after the granting of the stock options, the holders of the stock options may exercise 50% of the units granted by the Company. The exercise price of the stock options granted on October 8, 2024 was NT$105 per share. After the issuance of the stock options, the exercise price of the stock options will be adjusted in accordance with the prescribed formula when the Company's common stock is reduced to cover a loss. Information on employee stock options is as follows:

	2024		2023	
Employee stock options	Quantity (units)	Weighted average Execution Price ($/per share)	Quantity (units)	Weighted average Execution Price ($/per share)
Outstanding at the beginning of the year	631	21.83	970	22.06
For the year ended December 31, 2012	130	105.00	-	-
Lapsed during the year	(59)	20.00	(212)	21.80
Execution during the year	(526)	20.71	(127)	23.63
Out of circulation at the end of the year	176	87.06	631	21.83
Executable by the end of the year	-	-	-	-

Information related to outstanding employee stock warrants as of the balance sheet date is as follows:

1,905 Units granted on February 1, 110		150 units granted on February 1, 110	
Executive Price Scope ($)	Weighted average remaining contract term (years)	Executive Price Scope ($)	Weighted average remaining contract term (years)
$ 20	0.08	$ 20	0.08

250 Units granted on October 1, 110		200 Units granted on June 1, 111	
Executive Price	Weighted average	Executive Price	Weighted average

Scope ($)	remaining contract term (years)	Scope ($)	remaining contract term (years)
$ 20	0.08	$ 30	1.42

October 8, 113 to Unit 130 with	
Executive Price Scope ($)	Weighted Average Remaining Contract duration (years)
$ 105	3.83

The Company uses the Black-Scholes valuation model for employee stock options granted, and the inputs used in the valuation model are as follows:

	February 1, 2021 2,055 units given	October 1, 2021 250 units given	June 1, 2022 200 units given	October 8, 2024 130 units given
Giving daily market price	23.58 per share	25.69 per share	34.24 per share	105.00 per share
Execution Price	20 per share	20 per share	30 per share	105 per share
Expected volatility	35.04%-36.69%	38.90%-41.42%	41.79%-46.94%	35.80%-37.79%
Duration	4 years	3.33 years	4 years	4 years
Expected stock interest rate	0%	0%	0%	0%
Risk-free rate	0.16%-0.23%	0.25%-0.27%	0.90%-1.02%	1.369% - 1.3897%

For the years ended December 31, 2024 and 2023, the Company recognized compensation costs of $627 thousand and $1,000 thousand, respectively.

27. Government subventions

In May 2024, the Corporation obtained a preferential interest rate loan of $35,000 thousand from the Ministry of Economic Affairs (MOEA) for the "Low-Carbon Intelligent Nano-Management Project Loan", which was subsidized by the Ministry of Economic Affairs (MOEA) for one year at the mechanized interest rate of two-year time deposits of China Post, and estimated the fair value of the loan to be $34,404 thousand based on the prevailing market interest rate at the time of borrowing of 2.22%, and the difference between the obtained amount and fair value of the loan amounting to $596 thousand was considered to be a subsidy of the government low-interest loan and recognized as deferred income. The difference between the obtained amount and the fair value of the loan, amounting to $596 thousand, was accounted for as a low-interest government subsidy and recognized as deferred income.

In December 2024, the Corporation entered into a loan contract with a bank for $10,000 thousand under the "Overseas Investment Financing by National Development Fund". The fair value of the loan was estimated to be $9,850 thousand based on the prevailing market interest rate of 2.195% at the time of the loan, and the difference of $150 thousand between the obtained amount and the fair value of the loan was regarded as a subsidy from the government for low-interest loans and was recognized as deferred income.

For the year ended December 31, 2024, the Company recognized $349 thousand in other income-government subsidy income and $471 thousand in interest expense on this loan, respectively.

28. Cash Flow Information and Capital Risk Management

(i) Non-Cash Transactions

In addition to those disclosed in other notes, the Consolidated Company obtained bank loans with government-subsidized interest rates in FY2024 (Notes 16 and 27), which were fund-raising activities for non-cash transactions.

(ii) Changes in liabilities from financing activities

2024

			Non-cash changes	
	January 1, 2024	Cash Flow	Government subsidies	December 31, 2024
short term loan	$ 183,314	($ 148,314)	($ 250)	$ 34,750
Long-term loans	-	10,000	(147)	9,853
	$ 183,314	($ 138,314)	($ 397)	$ 44,603

2023

			Non-cash changes		
	January 1, 2023	Cash Flow	New Leases	Lease Modification	December 31, 2023
short term loan	$ -	$ 183,314	$ -	$ -	$ 183,314

Long-term loans	42,694	(42,694)	-	-	-
Leasehold liabilities	1,587	(1,587)	-	-	-
	$ 44,281	$ 139,033	$ -	$ -	$ 183,314

(iii) Capital Risk Management

The Company manages its capital to ensure that it is able to maximize shareholders' returns by optimizing its debt and equity balances as a going concern.

The capital structure of the Company consists of equity (i.e., capital stock, capital surplus, retained earnings and other equity items).

The Company is not subject to other external capital requirements.

29. Financial instruments

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

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

(ii) Fair Value Information-Financial Instruments Measured at Fair Value on a Repeat Basis

Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss -Current				
Beneficiary Certificates	$ 22,339	$ -	$ -	$ 22,339

(iii) Types of financial instruments

	December 31, 2024	December 31, 2023
Financial assets		
At fair value through profit or loss		
Mandatory fair value through profit or loss value	$ -	$ 22,339
Measured at amortized cost (Note 1)	917,104	579,148
Financial liabilities		

Measured at amortized cost (Note 2)	267,104	351,293

Note 1: The balance includes cash and cash equivalents, financial assets carried at amortized cost, notes receivable, accounts receivable, accounts receivable - related parties, other receivables, other receivables - related parties, and refundable deposits, which are financial assets carried at amortized cost.

Note 2: The balance includes financial liabilities measured at amortized cost, such as short-term loans, accounts payable, accounts payable - related parties, other payables, other payables - related parties and long-term loans.

(iv) Financial Risk Management Objectives and Policies

The purpose of the Company's financial risk management is to manage the financial risks associated with its operating activities, including market risk (including exchange rate risk, interest rate risk and other price risk), credit risk and liquidity risk. In order to reduce the related financial risks, the Company is committed to identifying, evaluating, and seeking strategies to avoid market uncertainties so as to minimize the adverse effects of market changes on the Company's financial position and financial performance.

The Company's significant financial activities are approved by the Board of Directors. The Company's financial statements are prepared in accordance with the Company's policies.

1. Market Risk

The principal financial risks to which the Company is exposed as a result of its operating activities are changes in foreign currency exchange rates (see (1) below), changes in interest rates (see (2) below) and other price risks (see (3) below).

There has been no change in the Company's exposure to market risk for financial instruments and how it manages and measures such exposure.

(1) Exchange Rate Risk

The Company engages in sales and purchase transactions denominated in foreign currencies, which expose the Company to foreign exchange rate risk. Approximately 94% of the Company's sales and 99% of the Company's costs are not denominated in the Company's functional currency.

The carrying amounts of monetary assets and monetary liabilities denominated in non-functional currencies as of the balance sheet date are summarized in Note 33.

Sensitivity analysis

The Company is primarily affected by fluctuations in the U.S. dollar exchange rate.

The following table details the Company's sensitivity analysis for a 1% increase or decrease in the New Taiwan dollar (the functional currency) against the U.S. dollar. 1% is the sensitivity ratio used internally by the Company in reporting its exposure to foreign currency risk to key management, and represents management's assessment of the range of reasonably possible changes in foreign currency exchange rates. The sensitivity analysis includes only monetary items denominated in foreign currencies and adjusts the period-end translation by a 1% change in foreign exchange rates. A positive number in the table below represents the amount by which pre-tax income would increase/decrease if the New Taiwan dollar weakened by 1% against the respective currencies. A negative number in the table below represents the amount by which pre-tax income would decrease/increase if the New Taiwan dollar strengthened by 1% against the respective currencies.

	The Impact of the Dollar			
	2024		2023	
Profit and loss	$ 3,182	(i)	$ 1,598	(i)

(i) Mainly attributable to the Company's U.S. dollar-denominated bank deposits, receivables and payables that were outstanding at the balance sheet date and not hedged against cash flows.

(ii) The Company's sensitivity to foreign exchange rates increased during the year, mainly due to the increase in foreign currency denominated net assets in U.S. dollars.

(2) Interest Rate Risk

The Company manages interest rate risk by maintaining an appropriate mix of fixed and floating interest rates.

The carrying amounts of financial assets and financial liabilities exposed to interest rate risk at the balance sheet date were as follows:

	December 31, 2024	December 31, 2023
Fair value interest rate risk		
-Financial assets	$ 352,959	$ 134,207
-Financial liabilities	9,853	-
Cash flow interest rate risk		
-Financial assets	38,116	110,390
-Financial liabilities	34,750	183,314

Sensitivity analysis

The following sensitivity analyses are based on the exposure to interest rate risk at the balance sheet date for both derivative and non-derivative instruments. For variable rate liabilities, the analysis assumes that the amount of the liability outstanding at the balance sheet date is outstanding for the period presented. The rate of change used to internally report interest rates to key management is a 1% increase or decrease in interest rates, which also represents management's assessment of the range of reasonably possible changes in interest rates.

If interest rates had increased/decreased by 1%, with all other variables held constant, the Company's pre-tax net income would have increased/decreased by $34 thousand and $(729) thousand for the years ended December 31, 2004 and 2005, respectively, primarily due to the decrease in the Company's variable-rate bank short-term borrowings.

(3) Other price risk

The Company has commodity price risk due to investment in beneficiary certificates of funds. However, the Company evaluates the price risk and investment performance on a regular basis in accordance with the Company's procedures for acquiring and disposing of assets, and therefore does not expect to incur significant price risk.

Sensitivity analysis

The following sensitivity analyses were performed based on the fund price risk at the balance sheet date.

If the fund price had increased/decreased by 1%, the Company's pre-tax net income for the year ended December 31, 2023 would have increased/decreased by $223 thousand, respectively, as a result of changes in the fair value of the financial assets measured at fair value through profit or loss.

2. Credit Risk

Credit risk represents the risk of financial loss that would result from the counter-parties' default on contractual obligations. As of the balance sheet date, the Corporation's maximum exposure to credit risk which may cause financial loss due to default on counter-parties' obligations and the provision of financial guarantees by the Corporation is mainly due to

(1) The carrying amount of financial assets recognized in the individual balance sheet.

(2) The maximum amount that the Company may be required to pay to provide financial guarantees, without regard to the likelihood of occurrence.

It is the Company's policy to deal only with creditworthy counterparties and to obtain adequate guarantees, if necessary, to mitigate the risk of financial loss due to default. The Company continuously monitors its credit risk and the credit ratings of its counterparties and controls its credit risk through counterparty credit limits that are reviewed and approved by corporate management annually.

To mitigate credit risk, the Company's management is responsible for credit line decisions, credit approvals and other monitoring procedures to ensure that appropriate actions are taken to collect overdue receivables. In addition, the Company reviews the recoverable amount of receivables on a case-by-case basis at the balance sheet date to ensure that appropriate impairment losses are recognized for uncollectible receivables. Accordingly, the Company's management believes that the Company's credit risk has been significantly reduced.

The Company's credit risk is concentrated on the Company's specific customers. As of December 31, 2024 and 2023, the percentage of accounts receivable from the aforementioned customers was 49% and 58%, respectively.

3. Liquidity risk

The Company manages and maintains a sufficient portion of cash to support its operations and mitigate the effects of fluctuations in cash flows. The management of the Company monitors the utilization of bank loans and ensures compliance with the terms of the loan agreements.

Bank borrowings are a significant source of liquidity for the Company. See (2) below for a description of the Company's unused financing facilities as of December 31, 2024 and 2023, respectively.

(1) Liquidity and Interest Rate Risk of Non-derivative Financial Liabilities

The maturity analysis of the remaining non-derivative financial liabilities was prepared on the basis of the undiscounted cash flows of the financial liabilities (including principal and estimated interest) based on the earliest possible date on which the Company could be required to make repayment. Accordingly, the bank borrowings for which the Company may be required to repay immediately are presented in the earliest period in the table below, regardless of the probability of the bank's immediate enforcement of the right; the maturity analysis of other non-derivative financial liabilities is prepared on the basis of the contractual repayment dates.

The following table details the analysis of the remaining contractual maturities of the Company's non-derivative financial liabilities for which repayment periods have been contracted, which are based on the earliest possible date on which the Company could be required to make a repayment and are prepared on the basis of the undiscounted cash flows of the financial liabilities, which include both principal and estimated interest.

December 31, 2024

Non-derivative financial liabilities	Less than 1 year	1～ 5 years	5 to 10 years	10-15 years
Non-interest-bearing liabilities	$ 222,501	$ -	$ -	$ -
Floating Rate Instrument	35,086	-	-	-
Fixed rate instruments	188	10,441	-	-
	$ 257,775	$ 10,441	$ -	$ -

December 31, 2023

Non-derivative financial liabilities	Less than 1 year	1～ 5 years	5 to 10 years	10-15 years
Non-interest-bearing liabilities	$ 167,979	$ -	$ -	$ -
Floating Rate Instrument	183,645	-	-	-
	$ 351,624	$ -	$ -	$ -

(2) Financing

	December 31, 2024	December 31, 2023
Unsecured Bank Borrowing Limit		
-Amount utilized	$ -	$ 56,249

-Unutilized amount	120,000	3,751
	$ 120,000	$ 60,000
Guaranteed Bank Loan Limit		
-Amount utilized	$ 45,000	$ 127,065
-Unutilized amount	245,000	57,935
	$ 290,000	$ 185,000

30. Related party transactions

In addition to those disclosed in other notes, the transactions between the Company and related parties were as follows.

(i) Names of related parties and their relationships

Name of related party	Relationship with the Company
Advantech Co., Ltd.	Parent Company of Significantly Affected Investors
Advanixs Corporation	Sister Company of Significantly Affected Investors
LNC Technology Co., Ltd.	Sister company of significant influence investor (Note)
Advantech Corporation (U.S.A.)	Affiliates of Significantly Affected Investors
Advantech Europe B.V.	Affiliates of Significantly Affected Investors
VSO Electronics (Suzhou) Co., LTD	Subsidiary
Dongguan VSO Electronics Co.	Subsidiary
Ji An VSO Electronics Co., LTD	Subsidiary
LINKUPON INTERNATIONAL LIMITED	Subsidiary
VSO (Viet Nam) Electronics Co., LTD	Subsidiary
Vsovn Electronics (HANOI) Company Limited	Subsidiary
LINK UPON ADVANCED MATERIAL CORP.	Significantly influenced investor of a subsidiary (Junto International Co., Ltd.)

Note: The parent company of the Company's significant influence investor lost control over Bao Yuan Digital Controls in the second quarter of fiscal year 2024 and therefore is not a related party of the Company since the second quarter of fiscal year 2024.

(ii) Operating income

Type/name of related party	2024	2023
Parent Company of Significantly Affected Investors		

Advantech Co., Ltd..	$ 39,415	$ 45,421
Sister Company of Significantly Affected Investors	-	1
Affiliates of Significantly Affected Investors	334	111
Subsidiary		
LINKUPON INTERNATIONAL LIMITED	444	-
	$ 40,193	$ 45,533

The transaction prices and credit terms for sales to related parties are not significantly different from those to non-related parties. If there are no other comparable transactions due to special specifications, the sales prices are based on the sales prices agreed upon by both parties.

The Company purchases raw materials on behalf of its subsidiaries, processes them and then purchases some finished products from the subsidiaries for sale to customers. Since these products are of a de-materialized nature, the related sales revenues and costs are presented on a net basis.

(iii) Purchase

Type/name of related party	2024	2023
Subsidiary		
Ji An VSO Electronics Co., LTD	$ 669,526	$ 524,272
VSO Electronics (Suzhou) Co., LTD	20,549	13,250
VSO (Viet Nam) Electronics Co., LTD	178,807	49,117
	$ 868,882	$ 586,639

The above purchase price is based on the cost of goods purchased or produced by subsidiaries and the order price of the Company.

(iv) Amounts due from related parties (excluding loans to related parties)

line item	Type/name of related party	December 31, 2024	December 31, 2023
Accounts receivable - Relationship	Parent Company of Significantly Affected Investors		
	Advantech Co., Ltd.	$ 13,330	$ 14,070
	Subsidiary		
	Ji An VSO Electronics Co., LTD	3,939	3,121

line item	Type/name of related party	December 31, 2024	December 31, 2023
	VSO (Viet Nam) Electronics Co., LTD	873	11,267
	LINKUPON INTERNATIONAL LIMITED	248	-
		$ 18,390	$ 28,458

line item	Type/name of related party	December 31, 2024	December 31, 2023
Other receivables	Subsidiary		
-Related parties	LINKUPON INTERNATIONAL LIMITED	$ 40	$ 301
	VSO Electronics (Suzhou) Co., LTD	70	-
	Vsovn Electronics (HANOI) Company Limited	-	574
	VSO (Viet Nam) Electronics Co., LTD	764	1,219
	Ji An VSO Electronics Co., LTD	56	-
		$ 930	$ 2,094

The terms of payment for sales to related parties range from 30 to 90 days per month.

Outstanding receivables from related parties are not guaranteed. no allowance for losses has been provided for receivables from related parties at December 31, 2024 and 2023, respectively.

(v) Amounts due to related parties (excluding loans to related parties)

line item	Type/name of related party	December 31, 2024	December 31, 2023
Accounts payable -	Subsidiary		
Relationship	Ji An VSO Electronics Co., LTD	$ 146,872	$ 109,788
	VSO Electronics (Suzhou) Co., LTD	5,414	3,731
	VSO (Viet Nam) Electronics Co., LTD	42,978	20,440
		$195, 264	$ 133,959

Other payables -Related parties	Subsidiary Ji An VSO Electronics Co., LTD	$ 288	$ 241

The payment terms with subsidiaries are 30 to 90 days per month.

The outstanding balances of accounts payable to related parties were not guaranteed.

(vi) Disposal of immovable property, plant and equipment

Type/name of related party	Disposal Price		Disposal of	
	2024	2023	2024	2023
Subsidiary				
VSO (Viet Nam) Electronics Co., LTD	$ -	$ 183	$ -	$ 6

(vii) Rental Agreement

Rental income is summarized below:

Type/name of related party	2024	2023
Subsidiary		
LINKUPON INTERNATIONAL LIMITED	$ 600	$ 600

Total future lease benefits to be received are as follows:

Type/name of related party	December 31, 2024	December 31, 2023
Subsidiary		
LINKUPON INTERNATIONAL LIMITED	$ 600	$ 600

LINKUPON INTERNATIONAL LIMITED leases office space from the Company at a rental rate negotiated with reference to market prices and charged on a monthly basis.

(viii) Other related party transactions

The Company receives mold testing revenues from the parent company of a significantly influenced investor, which were recognized in other income of $17 thousand and $180 thousand in FY2024 and FY2023, respectively.

The Company paid for the use of the supply chain e-platform with the parent company of a significantly influenced investor, and recognized selling expenses-other expenses of $34 thousand and $32 thousand for both fiscal years 2024 and 2023, respectively.

(ix) Lending to related parties

Type/name of related party	December 31, 2024	December 31, 2023
Subsidiary		
VSO (Viet Nam) Electronics Co., LTD	$ 14,751	$ 15,355

Interest income

Type/name of related party	2024	2023
Subsidiary		
VSO (Viet Nam) Electronics Co., LTD	$ 715	$ 699

The Company provides short-term unsecured loans to Hong Ching Electronics (Vietnam) Company Limited at interest rates similar to market rates. The loans are expected to be recovered within one year and have been evaluated with no expected credit losses.

(x) Endorsement Guarantee

For the years ended December 31, 2022 and 203, the Corporation acted as a joint and several guarantor for the purchase and sales contracts signed between LINKUPON INTERNATIONAL LIMITED and the Corporation's suppliers, and the guarantee obligation should not exceed $150,000 thousand.

(xi) Key management remuneration

	2024	2023
Short-term Employee Benefits	$ 33,018	$ 33,558
Share-based Payment	489	908
Post-employment benefits	1,013	834
	$ 34,520	$ 35,300

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

31. Pledged Assets

The following assets were provided as collaterals for the Company's long-term bank borrowings and as deposits for leased vehicles and warehouses, etc:

	December 31, 2024	December 31, 2023
land	$ 25,532	$ 25,532
Buildings	13,143	13,569
Deposit of security deposits	524	3,572
	$ 39,199	$ 42,673

32. Unrecognized contractual commitments

Unrecognized contractual commitments at the balance sheet date, except as noted in other notes, are as follows:

	December 31, 2024	December 31, 2023
Purchase of real estate, plant and equipment	$ 32,338	$ -
Purchase of intangible assets	-	119
	$ 32,338	$ 119

33. Information on foreign currency assets and liabilities with material effect

The following information is presented on a summary basis for foreign currencies other than the Company's functional currency, and the exchange rates disclosed represent the rates at which such foreign currencies are translated into the functional currency. Significant foreign-currency assets and liabilities are summarized as follows:

December 31, 2024

	foreign currencies	exchange rate	Carrying amount
Financial assets			
Monetary items			
US dollar	$ 15,835	32.78 (United States dollars: New Taiwan dollars)	$ 519,086
Non-Monetary Items			
Equity-method investments			
Vietnam Shield	119,285,846	0.0013 (Vietnamese dong: New Taiwan dollar)	153,642

	foreign currencies	exchange rate	Carrying amount
Financial liabilities			
Monetary items			
US Dollars	6,127	32.78 (United States dollars: New Taiwan dollars)	200,840

December 31, 2023

	foreign currencies	exchange rate	Carrying amount
Financial assets			
Monetary items			
US dollar	$ 13,031	30.71 (United States dollars: New Taiwan dollars)	$ 400,171
Non-Monetary Items			
Equity-method investments			
Vietnam Shield	119,633,316	0.0013 (Vietnamese dong: New Taiwan dollar)	150,636
Financial liabilities			
Monetary items			
US Dollars	7,828	30.71 (United States dollars: New Taiwan dollars)	240,383

The Company's foreign currency exchange gain or loss for the years ended December 31, 2024 and 112 was a net exchange gain of $13,540 thousand and $1,870 thousand, respectively. Due to the wide variety of foreign currency transactions, it is not possible to disclose the exchange gain or loss by each currency other than the one in which it has a significant effect.

Note Disclosure

(I) (i) significant transactions and (ii) information on reinvestments:

1. Loans of funds to others: Schedule I.
2. Endorsement of guarantees for others: Schedule II.
3. Marketable securities held at the end of the period (excluding investments in subsidiaries): Table 3 (attached).

4. Accumulated purchase or sale of the same securities amounting to at least NT$300 million or 20% of the paid-in capital: Table 4 (attached).
5. Acquisition of real estate at costs of at least NT$300 million or 20% of the paid-in capital: Table 5 (attached).
6. Disposal of real estate at costs of at least NT$300 million or 20% of the paid-in capital: None.
7. Purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 6 (attached).
8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 7 (attached).
9. Engaged in derivatives trading: Note 7.
10. Information on investee companies: Schedule VIII.

(iii) Mainland China Investment Information:

1. Names of investees in Mainland China, major business activities, paid-in capital, method of investment, remittance of capital, percentage of ownership, investment gain or loss, ending balance, repatriated investment gain or loss, and limit on investment in Mainland China: Table 9 (attached).
2. The following significant transactions with investees in Mainland China directly or indirectly through a third party, as well as the prices, terms of payment, and unrealized gain or loss on these transactions: None.
   (1) Amounts and percentages of purchases and related payables at the end of the period.
   (2) Amount and percentage of sales and related receivables at the end of the period.
   (3) The amount of property transactions and the amount of profit or loss arising therefrom.
   (4) The ending balance of notes endorsed or collaterals provided and their purposes.
   (5) The maximum balance, ending balance, interest rate range, and total current interest of the Fund.

(6) Other transactions that have a significant effect on the current period's profit or loss or financial position, such as the provision or receipt of labor.

(iv) Information on major shareholders: Schedule X.

VSO ELECTRONICS CO., LTD.

Loans to others

For the year ended December 31, 2024.

Schedule I

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Creditor	Borrower	Financial Statement Account	Related Parties	Maximum balance for the period (Note 4)	Ending Balance (Note 4)	Actual amount drawn down (Note 4)	Interest rate range	Nature of loan (Note 1)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 4)	Remarks
													Name	Value			
0	Hong Ching Actual Co. Ltd.	VSO (Viet Nam) Electronics Co., LTD Ltd.	Other receivables -Related party	be	$ 114,730 (USD 3,500 thousand dollars)	$ 81,950 (USD 2,500 thousand dollars)	$ 14,751 (USD 450 thousand dollars)	6.1	2	$ -	Business Cycle	$ -	-	$ -	$ 595,776	$ 595,776	Note 2

Note 1: The following table describes the nature of loans and capitalization:

(1) Please fill in 1 if you have business dealings.

(2) Please fill in 2 if you have a need for short-term financing.

Note 2: The total amount of the Company's capital loan shall not exceed 40% of the Company's net worth and the limit for each target shall not exceed 40% of the Company's net worth.

Note 3: Amounts in New Taiwan dollars were translated into New Taiwan dollars at the year-end exchange rate.

VSO ELECTRONICS CO., LTD.

Provision of endorsements and guarantees to others

For the year ended December 31, 2024

Schedule II

Expressed in thousands of NTD and foreign currencies (Except as otherwise indicated)

No.	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 1)	Maximum outstanding endorsement/guarantee amount as of December 31, 2024 (Note 2)	Outstanding endorsement/ guarantee amount at December 31, 2024 (Note 2)	Actual amount drawn down (Notes 2 and 3)	Amount of endorsements/ guarantees secured with No. collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company (%)	Ceiling on total amount of endorsements/ guarantees provided (Note 1)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Remarks
		Company Name	Relationship with the endorser/guarantor											
0	VSO ELECTRONICS CO., LTD.	LINKUPON INTERNATIONAL LIMITED	Companies in which the Company directly and indirectly owns more than 60% of the voting stock	$ 446,832	$ 150,000	$ 150,000	$ 88,418	$ -	10.07%	$ 1,191,553	Y	N	N	

Note 1: The aggregate amount of guarantees provided by the Company and its subsidiaries as a whole for external endorsements and guarantees shall not exceed 80% of the net worth of the most recent financial statements of each of the subsidiaries. The aggregate endorsement and guarantee amount of the Company and its subsidiaries as a whole shall not exceed 30% of the net worth of the most recent financial statements of each company. The aggregate endorsement and guarantee amount of the Company and its subsidiaries that directly and indirectly hold 100% of the voting shares shall not exceed 40% of the net worth of the most recent financial statements of each company.

Note 2: Amounts in New Taiwan dollars were translated into New Taiwan dollars based on the exchange rate at the end of the year.

VSO ELECTRONICS CO., LTD.

Holding of marketable securities at the end of the period

December 31, 2024

Schedule III

Expressed in thousands of NTD
(Except as otherwise indicated)

Holding Company Name	Types and names of marketable securities	Relationship with securities issuers	General ledger account	As of December 31, 2024				Remarks
				Number of shares/units	Book value	Shareholding ratio (%)	Fair value	
VSO ELECTRONICS CO., LTD.	Bonds with Repurchase P13 Cathay Life 1A (Note)	No	Financial assets measured at amortized cost - current	-	$ 338,208	-	$ 338,208	

Note: The collaterals attached to the repurchased bonds are unsecured cumulative subordinated general corporate bonds of Cathay Life Insurance Co.

VSO ELECTRONICS CO., LTD.

Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital

For the year ended December 31, 2024

Schedule IV

Expressed in thousands of NTD
(Except as otherwise indicated)

Buying and Selling Companies	marketable securities Type and Name	General ledger account	Counterparty	Relationship	Balance as at January 1, 2024		Acquisition		Disposal				Gain (Loss) on Valuation	Balance as at December 31, 2024	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Price	carrying cost	Gain/loss on disposal		Number of units	Shares/Units
VSO ELECTRONICS CO., LTD.	Bonds with repurchase - P13 Cathay Life 1A (Note)	Financial assets measured at amortized cost - current	KGI Securities Co.	No	-	$ -	-	$ 338,208	-	$ -	$ -	$ -	$ -	-	$ 338,208

Note: The collaterals attached to the repurchased bonds are unsecured cumulative subordinated general corporate bonds of Cathay Life Insurance Co.

VSO ELECTRONICS CO., LTD.

Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more

December 31, 2024

Schedule V

Expressed in thousands of NTD

(Except as otherwise indicated)

Real estate acquired by	Property Name	Date of the event	Transaction Amount (Notes 1, 2 and 3)	Status of payment (Notes 2 and 3)	Counterparty	Relationship	Information on prior transaction if the counterparty is a related party				Pricing Reference	Purpose of Acquisition	Other commitments
							Property Terms Owner	Relationship	Transfer Date	Amount			
Vsovn Electronics (HANOI) Company Limited	Part of Lot CN02, Phase I, South Hanoi Auxiliary Industrial Park, Dai Chuan Commune, Bucheon District, Hanoi, Vietnam	113/05/31	$ 96,465 (VND Thousand dollars 74,856,528)	$ 96,465	N&G Investment & Development Co.	Non-Related Party	Not applicable	Not applicable	Not applicable	$ -	Valuation report issued by THANH DO VALUATION JOINT STOCK COMPANY valuation office	To meet the needs of the Company's future business development	Note 3

Note 1: Amount of VAT exemption.

Note 2: Amounts in New Taiwan dollars were translated into New Taiwan dollars based on the exchange rate at the end of the year.

Note 3: On May 3, 2012, the Company's Board of Directors approved the signing of a deposit contract for the purchase of land use rights in Vietnam on behalf of the Company's unincorporated Vietnamese subsidiary, Vsovn Electronics (Hanoi) Company Limited, which was subsequently established. Vsovn Electronics (Hanoi) Company Limited, the established Vietnam subsidiary, signed a formal contract with N&G Investment and Development Joint Stock Company on May 31, 113, and obtained the land use right certificate in September 113 for the land.

VSO ELECTRONICS CO., LTD.

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more.

For the year ended December 31, 2024

Schedule VI

Expressed in thousands of NTD

(Except as otherwise indicated)

Purchaser/seller	Counterparty Name	Relationship	Transactional circumstances				Trading conditions are different from normal trading circumstances and reasons		Notes and accounts receivable (payable)		Remarks
			Purchases (Sales)	Amount	Percentage of total (sales)/purchases	Credit term	price	Credit period	Balance	Percentage of total notes/accounts receivable (payable)	
VSO ELECTRONICS CO., LTD.	Ji An VSO Electronics Co., LTD	Subsidiary	Import	$ 669,526	75%	60 days per month	Priced on the basis of internal transfers	-	($ 146,872)	(73%)	-
Ji An VSO Electronics Co., LTD	VSO ELECTRONICS CO., LTD.	Parent company	Sales	(669,526)	(71%)	60 days per month	Priced on the basis of internal transfers	-	146,872	59%	-
VSO Electronics (Suzhou) Co., LTD	Ji An VSO Electronics Co., LTD	Brothers	Import	141,614	66%	30-60 days per month	Priced on the basis of internal transfers	-	(49,701)	(66%)	-
Ji An VSO Electronics Co., LTD	VSO Electronics (Suzhou) Co., LTD	Brothers	Sales	(141,614)	(15%)	30-60 days per month	Priced on the basis of internal transfers	-	49,701	20%	-
VSO ELECTRONICS CO., LTD.	VSO (Viet Nam) Electronics Co., LTD	Subsidiary	Import	178,807	20%	End of month 30-90 days	Priced on the basis of internal transfers	-	(42,978)	(21 %)	-
VSO (Viet Nam) Electronics Co., LTD	VSO ELECTRONICS CO., LTD.	Parent company	Sales	(178,807)	(73%)	End of month 30-90 days	Priced on the basis of internal transfers	-	42,978	82%	-
Zhangjiagang Free Trade Zone Linkupon Material Trading Limited Company	LINKUPON INTERNATIONAL LIMITED	Parent company	Import	103,102	45%	60 days per month	Priced on the basis of internal transfers	-	(16,915)	(38%)	-
LINKUPON INTERNATIONAL LIMITED	Zhangjiagang Free Trade Zone Linkupon Material Trading Limited Company	Subsidiary	Sales	(103,102)	(27%)	60 days per month	Priced on the basis of internal transfers	-	16,915	39%	-

VSO ELECTRONICS CO., LTD.

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

December 31, 2024

Schedule VII

Expressed in thousands of NTD
(Except as otherwise indicated)

Company Name	Counterparty Name	Relationship	Ending balance	Turnover Rate	Overdue receivables from related parties		Amounts received in subsequent period	Allowance for doubtful account
					Amount	Actions taken		
Ji An VSO Electronics Co., LTD	VSO ELECTRONICS CO., LTD.	Parent company	$ 146,872	5.22	$ -	-	$ 146,872	$ -

VSO ELECTRONICS CO., LTD.

Information on investees (excluding information on investments in Mainland China)

For the year ended December 31, 2024

Schedule VIII

Expressed in thousands of NTD
(Except as otherwise indicated)

Investment Company Name	Name of investee company	Location	Major Business Items	Original Investment Amount		Held at end of period			investee company	Recognized in this issue	Remarks
				End of the period	End of previous period	Number of shares	ratios	Carrying amount	(Gain) loss for the period	(Loss) on investments	
VSO ELECTRONICS CO., LTD.	Cable Garden Holdings Limited	SAMOA	Investment holding business	$ 314,786	$ 314,786	10,224,804	100%	$ 454,248	$ 63,133	$ 63,563	Note 1
	LINKUPON INTERNATIONAL LIMITED	Taiwan	Sales of engineering plastics for optical automotive 3C products.	90,000	90,000	9,000,000	60%	139,242	29,359	17,616	
	Vsovn Electronics (HANOI) Company Limited	Vietnam	Production and sales of various connecting cables for IOT, cloud, industrial control, medical and automotive applications.	159,606 (USD 5,000 thousand dollars)	159,606 (USD 5,000 thousand dollars)	-	100%	153,642	369 (VND 287,658 Thousand Dollars)	369 (VND 287,658 Thousand Dollars)	
Cable Garden Holdings Limited	VSO (Viet Nam) Electronics Co., LTD	Vietnam	Production and sales of various connecting cables for IOT, cloud, industrial control, medical and automotive applications.	60,847 (USD 2,000 thousand dollars)	60,847 (USD 2,000 thousand dollars)	-	100%	82,733	14,228 (VND 11,087,984 Thousand Dollars)	13,698 (VND 10,669,734 Thousand Dollars)	Note 2
	Cleveland Investment Limited	SAMOA	Investment holding business	56,101	56,101	1,700,000	100%	90,386	9,474	9,474	
LINKUPON INTERNATIONAL LIMITED	Linkupon International Holdings, Limited	SAMOA	Investment holding business	71,444	71,444	2,407,795	100%	147,421	12,143	12,143	

Note 1: The investment loss recognized for the year ended FY113 was the reversal of unrealized gross profit on sales of $3,230 thousand from the beginning of the year and the addition of unrealized gross profit of $2,800 thousand from the end of the year from the countercurrent transaction; the carrying value was reduced by unrealized gain of $411 thousand from the downstream transaction.

Note 2: The investment income recognized for the year ended FY113 was the reversal of unrealized gross loss on sales of $526 thousand from side-stream transactions at the beginning of the year and the addition of unrealized gross profit of $4 thousand from side-stream transactions at the end of the year.

Note 3: Please refer to Table 9 (attached) for information on investees in Mainland China.

VSO ELECTRONICS CO., LTD.

Information on investments in Mainland China

For the year ended December 31, 2024

Schedule IX

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment Methods	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2024	Net profit (loss) of the investee for the year ended December 31, 2024	Ownership held by the Company (direct or indirect) (%)	Investment net profit (loss)(Note 1)	Carrying Value as of December 31, 2024	Accumulated Inward Remittance of Earnings as of December 31	Remarks
					export	retake							
Ji An VSO Electronics Co., LTD	Production and sales of various connecting cables for IOT, cloud, industrial control, medical and automotive applications.	$ 175, 176 (USD 2,800 thousand and RMB 17,600 thousand)	Note 4	$ 83,052 (USD 2,800 thousand dollars)	$ -	$ -	$ 83,052 (USD 2,800 thousand dollars)	$ 40,224 (RMB 9,030 thousand yuan)	100%	$ 40,224 (RMB 9,030 thousand yuan)	$ 294,110 (RMB 65,679 thousand dollars)	$ 44,000 (RMB 10,000 thousand yuan)	
VSO Electronics (Suzhou) Co., LTD	Production and sales of various connecting cables for IOT, cloud, industrial control, medical and automotive applications.	56,101 (USD 1,700 thousand dollars	Note 7	56,101 (USD 1,700 thousand dollars)	-	-	56,101 (USD 1,700 thousand dollars)	9,474 (RMB 2,127 thousand yuan)	100%	9,474 (RMB 2,127 thousand yuan)	90,386 (RMB 20,183 thousand yuan)	35,200 (RMB 8,000 thousand yuan)	
Zhangjiagang Free Trade Zone Linkupon Material Trading Limited Company	Sales of engineering plastics for optical automotive 3C products.	53,095 (USD 1,400 thousand dollars)	Note 6	56,046 (USD 1,724 thousand dollars)	-	-	56,046 (USD 1,724 thousand dollars)	10,586 (RMB 2,376 thousand yuan)	60%	6,351 (RMB 1,426 thousand yuan)	100,213 (RMB 22,379 thousand yuan)	30,800 (RMB 7,000 thousand yuan)	
Zhang Jia Gang Free Trade Zone Mitsui LinkUpon Advanced Material,inc.	Production and sales of engineering plastic composites.	190,371 (USD 5,690 thousand dollars	Note 6	50,066 (USD 1,739 thousand dollars)	-	-	50,066 (USD 1,739 thousand dollars)	6,359 (RMB 1,427 thousand yuan)	24%	1,526 (RMB 343 thousand yuan)	48,495 (RMB 10,830 thousand yuan)	3,084 (RMB 698 Thousand Yuan)	

Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA (Note 2)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 3)
$ 245,265	$ 337,389	$ 949,362

Note 1: Based on the audited and certified financial statements of the parent company in Taiwan.

Note 2: The investment amount approved by the Investment Commission of the Ministry of Economic Affairs amounted to USD10,479,405.55, which was calculated based on the original exchange rate.

Note 3: Calculated based on the limitation on consolidated net worth in accordance with the Audit Letter No. 11320966060.

Note 4: The investment was transferred from Cable Garden Holding Limited, a 100%-owned third-party company, to a mainland company.

Note 5: It was transferred from Linkupon International Holdings, Limited, a third-party company, which is owned as to 60% by LINKUPON INTERNATIONAL LIMITED and 100% by LINKUPON INTERNATIONAL LIMITED, to a mainland company.

Note 6: Invested by 100% owned third-party Cleveland Investment Limited.

VSO ELECTRONICS CO., LTD.

Major shareholders information

December 31, 2024

Schedule X

Name of major shareholders	holders	
	Number of shares held	Ownership (%)
Advantech Corporate Investment	4,694,800	11.25%
Ding Hong Investment Co., Ltd.	3,630,000	8.70%

Note 1: The major shareholders' information in this table is calculated by the PIC as of the last business day of the current year, based on the information that the shareholders hold 5% or more of the Company's common shares that have completed the delivery of inanimate registered delivery (including treasury shares) in aggregate. There may be differences between the share capital recorded in the Company's individual financial statements and the actual number of shares of the Company's common stock that have been registered as treasury stock due to differences in the basis of preparation of the calculations.

Note 2 The above information is disclosed in the trustee's separate account for the trustee who opened the trust account if the shareholders delivered their shares to the trust. As for the shareholders' internal ownership of over 10% in accordance with the Securities and Exchange Act, the shareholdings of the shareholders include their own shareholdings plus the shareholdings of the trustees who have the right to decide the use of the trust property, etc. Please refer to Market Observation Post System for the information on the internal ownership of the shareholdings of the shareholders.

§重要會計項目明細表目錄§

VSO ELECTRONICS CO., LTD.

Schedule of Cash and Cash Equivalents

DECEMBER 31, 2024

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Project	summaries	Amount
Cash on hand and working capital	Including NT$50,000, US$5,000, HK$1,000 and Euro1,000.	$ 261
Bank Deposit		
demand deposit		30,261
Foreign currency demand deposits	US$227,000, HK$72,000 and JPY 543,000	7,855
Total		$ 38,377

Note: Foreign currencies are translated at exchange rates RMB$1 = NTD$4.478, USD$1 = NTD$32.78, HKD$1=NTD$4.225, EUR$1=NTD$34.15 and JPY$1= NTD$0.2101 conversion.

VSO ELECTRONICS CO., LTD.

Financial assets measured at amortized cost - current schedule

DECEMBER 31, 2024

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Name	summaries	interest rates	Amount
Bonds with Repurchase	P13 Cathay Life 1A (Note)	1.73%	$ 338,208

Note: The collaterals attached to the repurchased bonds are unsecured cumulative subordinated common bonds of Cathay Life Insurance Company, Ltd.

VSO ELECTRONICS CO., LTD.

Schedule of Accounts Receivable

DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars)

Table 3

Customer Name	Amount
A Customer	$ 249,959
B Customers	73,146
Other (Note)	182,246
	505,351
Less: Allowance for losses	961
Total	$ 504,390

Note: The balance of each account was less than 5% of the account balance.

VSO ELECTRONICS CO., LTD.

Inventory Schedule

DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars)

Table 4

Project	Amount (manufacturing, production etc) costs	Amount Net Realized Value
Merchandise	$ 17,760	$ 23,708

VSO ELECTRONICS CO., LTD.

Statement of Changes in Long-term Investments under the Equity Method

For the year ended December 31, 2024

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

	Balance at the beginning of the year		Increase during the year		Adoption of the equity method Recognized investments	Overseas Operators Organizational Financial Statements	Unrealized		Balance at the end of the year				
Name of investee company	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	(Loss) benefit	Exchange Differences	Interest in sales	(sth. or sb) else	Number of shares (in thousands)	percentage of shareholding %	Amount	Market price or Net Equity	Remarks
Unlisted (over-the-counter) companies													
Cable Garden Holdings Limited	10,225	$ 377,564	-	$ -	$ 63,563	$ 12,622	$ 464	$ 35	10,225	100%	$ 454,248	$ 457, 459	Note 1, Note 2, Note 3
LINKUPON INTERNATIONAL LIMITED	9,000	131,391	-	-	17,616	2,771	-	(12,536)	9,000	60%	139,242	139,242	Note 1 and Note 4
Vsovn Electronics (HANOI) Company Limited	-	150,636	-	-	369	2,637	-	-		100%	153,642	153,642	Note 1
		$ 659,591		$ -	$ 81,548	$ 18,030	$ 464	($ 12,501)			$ 747,132	$ 750,343	

Note 1: There were no pledges of long-term equity investments: The long-term equity investments were not pledged as collaterals.

Note 2: As of December 31, 2024, the difference in the balance of long-term equity investment in Cable Garden Holdings Limited included unrealized gross profit of $411 thousand and reverse flow unrealized gross profit of $2,800 thousand.

Note 3: Other adjustments were realized gains of $35 thousand on disposal of property, plant and equipment: Other adjustments include unrealized gain on disposal of property, plant and equipment downstream of the Company in FY2023, which was reclassified as realized gain of $35 thousand in the current year.

Note 4: Other adjustments were due to the distribution of cash dividends of $12,600 thousand by the Company: Other adjustments were due to the distribution of cash dividends of $12,600 thousand by the Company from LINKUPON INTERNATIONAL LIMITED and the reversal of compensation cost of $(64) thousand based on the proportion of the Company's shareholding in the Company for the year ended December 31, 2011 for the employee stock options issued to the employees of LINKUPON INTERNATIONAL LIMITED.

VSO ELECTRONICS CO., LTD.

Schedule of Accounts Payable

DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars)

Table 6

Supplier Name	Amount
Supplier A	$ 1,946
supplier B	998
C. Providers	381
D. Providers	360
E. Vendors	313
Other (Note)	724
Total	$ 4,722

Note: The balance of each account was less than 5% of the account balance.

VSO ELECTRONICS CO., LTD.

Schedule of short-term borrowings

DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars)

Table 7

	Borrowing period	Interest rate range	Balance	Amount of Financing	Qualitative collateralization
Bank Guarantee Fubon Bank	113.05.13~114.05.13	0.50%	$ 35,000	$ 35,000	-
Less: Discount on government grants			($ 250)		
			$ 34,750		

Note: The bank guarantees were provided by the Chairman of the Board of Directors, Mr. Chien Chung Cheng, in his personal capacity as a joint and several guarantor.

VSO ELECTRONICS CO., LTD.

Schedule of long-term bank loans

DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars)

Table 8

Debenture Bank	Borrowing period	Annual interest rate %	Repayment Conditions	Amount	Amount of Financing	Mortgage or Guarantee
Fubon Bank	113.12.10~118.12.10	1.772019%	Monthly repayment of principal and interest after 24-month grace period	$ 10,000	$ 240,000	Mr. Chien Chung Cheng, Chairman of the Board of Directors, acted as joint and several guarantors.
Less: portion classified as due within one year				-		
Less: Discount on government grants				(147)		
				$ 9,853		

VSO ELECTRONICS CO., LTD.

Statement of Operating Income

For the year ended December 31, 2024

Table IX

Expressed in thousands of NTD
(Except as otherwise indicated)

Project	Quantity (pcs)	Amount
Net operating income		
AIOT Intelligent Internet of Things Application Cable Set	5,941,695	$ 498,457
Computer Consumer Electronics Cable Assemblies	13,924,145	485,297
Others-Connection cable set	2,923,994	216,025
Total operating revenue	22,789,834	$ 1,199,779

VSO ELECTRONICS CO., LTD.

Schedule of Operating Costs

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan dollars)

Table 10

Project	Amount
Cost of goods sold	
Commodities at the beginning of the year	$ 21,588
Add: Current year's purchases	887,577
outsourcing	1,070
Less: Year-end commodities	19,886
Others	830
Total cost of goods sold	889,519
Other operating costs (including losses on decline in value of inventories and allowance for doubtful accounts of $930 thousand, warranty reserve of $439 thousand, amortization of fixed patents of $6,840 thousand and others of $5,492 thousand)	13,701
Total operating costs	$ 903,220

VSO ELECTRONICS CO., LTD.

Schedule of Operating Expenses

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan dollars)

Table XI

	Selling expenses	General and administrative expenses	Research and Development Fee	Expected Credit Impairment loss	Total
Salary Costs	$ 29,651	$ 55,026	$ 20,605	$ -	$105,282
Directors' remuneration	-	5,053	-	-	5,053
Premium	2,556	4,716	1,473	-	8,745
Stalls	112	381	1,613	-	2,106
Other expenses (Note)	12,687	21,922	7,228	939	42,776
Total	$ 45,006	$ 87,098	$ 30,919	$ 939	$163,962

Note: The balance of each account was less than 5% of the account balance.

VSO ELECTRONICS CO., LTD.

Functional Summary of Employee Benefits, Depreciation and Amortization Expenses

Incurred During the Period

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars)

Table 12

	2024			2023		
	In Business costumer	belonging to the business fee payer	Total	belonging to the business costumer	belonging to the business fee payer	Total
Employee Benefit Expenses						
Salary Costs	$ -	$105,282	$105,282	$ -	$ 85,653	$ 85,653
Employee Insurance	-	8,371	8,371	-	7,475	7,475
Pension costs	-	4,146	4,146	-	3,790	3,790
Directors' remuneration	-	5,053	5,053	-	3,312	3,312
Other employee benefit expenses	-	3,415	3,415	-	2,762	2,762
	$ -	$126,267	$126,267	$ -	$102,992	$102,992
Depreciation expense	$ -	$ 4,760	$ 4,760	$ -	$ 5,609	$ 5,609
Amortization expense	$ 4,254	$ 2,106	$ 6,360	$ 3,111	$ 1,295	$ 4,406

Notes:

1. The number of employees of the Company was 93 and 85 for the years ended December 31, 2024 and 112, respectively, of which the number of directors who were not concurrently employees was 8 in both cases.

2. (1) The average employee benefit costs were $1,426 thousand for the current year and $1,295 thousand for the previous year.

(2) The average employee compensation cost was $1,238 thousand for the current year and $1,112 thousand for the previous year.

(3) Increase of 11% in the change in average staff salary cost adjustment.

3. The Company's employees are paid monthly salaries, performance bonuses based on monthly performance, and remuneration (bonuses) based on the Company's annual profitability. The Company determines the total amount of compensation (bonus) based on the Company's operating results, and the amount to be paid to each employee depends on his/her duties, contributions, and performance.

4. The amount of remuneration paid to the Company's managers is reviewed by the Compensation Committee and submitted to the Board of Directors for resolution, based on their duties, contributions, the Company's operating results for the year, and consideration of the Company's future risks.

5. In accordance with the Company's Articles of Incorporation, the Company shall set aside 2%～ 10% of the Company's annual profits for employee compensation, which shall be distributed in the form of stock certificates or cash by resolution of the Board

of Directors to employees of the Company's subsidiaries who have met certain criteria; the Company may set aside up to 2% of the Company's annual profits for director's compensation by resolution of the Board of Directors.