HONG TAI ELECTRIC INDUSTRIAL CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
For the Years Ended
December 31, 2024 And 2023

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

Financial Statements

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DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

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

Very truly yours,

HONG TAI ELECTRIC INDUSTRIAL CO., LTD.

By

CHIU CHIANG INVESTMENT CO., LTD.
CHEN, SHI-YI
Person in charge

March 21, 2025

Independent Auditors' Report Translated from Chinese

To the Board of Directors and Stockholders of
Hong Tai Electric Industrial Co., LTD.

Opinion

We have audited the accompanying consolidated balance sheets of Hong Tai Electric Industrial Co., LTD. and its subsidiaries (the "Group") as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023, and notes to the consolidated financial statements, including the summary of significant accounting policies.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and their consolidated financial performance and cash flows for the years ended December 31, 2024 and 2023, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<u>Impairment assessment of accounts receivable</u>

As of December 31, 2024, the Group's accounts receivable amounted to NT$1,270,916 thousand, representing 15% of total assets, which was significant to the consolidated financial statements. Due to loss allowance for accounts receivable was based on expected credit losses duration of the company, the measurement process must distinguish groups appropriately for accounts receivable and judge the analysis and measurement process, evaluation and application of relevant assumptions, including the appropriate aging period and the loss rate of each aging period. Based on measuring expected credit losses was involving judgment, analysis and estimation, we listed impairment assessment of accounts receivable as a key audit matter.

The audit procedures we performed regarding impairment assessment of accounts receivable included but not limited to: evaluate and test the effectiveness of the controls related to impairment assessment of accounts receivable; analyze the suitability of management to determine customer grouping that based on customer credit risk characteristics, and whether the accounting policy and loss rate were reasonable; check the sampled acceptance or shipping documents to the accounts receivable aging table to confirm the correctness of the accounts receivable aging period; test the preparation matrix, including evaluating whether the decision of each group of aging intervals is reasonable, and recalculating the loss rate that calculated by the rolling rate every month during a year; consider the reasonableness of forward-looking information included in the loss rate assessment and evaluate whether such forward-looking information affects the loss rate, and recalculate the correctness of the allowance for loss proposed by the management. In addition, for customers with a large balance of accounts receivable at the end of the period, review the post-period collection of accounts receivable to assess the recoverability of accounts receivable.

We also consider the appropriateness of the accounts receivable disclosure included in note 5 and 6 to the consolidated financial statements.

Valuation of inventories

As of December 31, 2024, the Group’s net inventories amounted to NT$2,378,842 thousand, representing 28% of total assets, which was significant to the consolidated financial statements. Due to inventories remeasured by lower of cost or net realizable value, the valuation of inventories were influenced by international copper prices and material price fluctuate frequently, and involved in the subjective judgement of the management, we listed valuation of inventories as a key audit matter.

The audit procedures we performed regarding valuation of inventories included but not limited to: evaluate and test the effectiveness of controls related to valuation of inventories; evaluate the appropriateness of the management’s policies regarding the writing-down of slow-moving inventories, and sample to test the accuracy of inventories aging; perform sampling to verify the related documentation and recalculate the net realizable value was used accurate by the management; evaluate the management’s inventory plan and observe the stock taking to identify the writing-down of slow-moving inventories.

We also consider the appropriateness of the inventory disclosure included in note 5 and 6 to the consolidated financial statements.

Revenue recognition

The Group recognized operating revenue from sale of NT$6,583,904 thousand in the year ended December 31, 2024, which was significant to the consolidated financial statements. It’s critical for financial statements audit to justify and analyze the obligation of customers contracts and the timing and completeness of revenue recognition. Therefore, we listed revenue recognition as a key audit matter.

The audit procedures we performed regarding revenue recognition included but not limited to: evaluate and test the effectiveness of controls related to revenue recognition; inspect the terms of transaction and understand the revenue recognition process related to the identified obligation of customer contract; perform test of details, including verify the samples of the related documentation and the collection records, to ensure accurate timing and amount for revenue recognition; inspect the supporting document of sales transaction near the balance sheet date to ensure revenue recognized in proper period.

We also consider the appropriateness of the revenue disclosure included in note 6 to the consolidated financial statements.

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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of the 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 ability to continue as a going concern of the Group, 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 audit committee, are responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 the consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Group. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated 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 the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2024 consolidated financial statements 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.

Other

We have audited and expressed an unqualified opinion on the parent company only financial statement of the company as of and for the years ended December 31, 2024 and 2023.

Liu, Jung-Chin
Chang, Chih-Ming
Ernst & Young, Taiwan
March 21, 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or the Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young 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.

English Translation of Financial Statements Originally Issued in Chinese

HONG TAI ELECTRIC INDUSTRIAL CO., LTD.

Consolidated Balance Sheets

As at December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

Assets			December 31, 2024		December 31, 2023	
Code	Items	Notes	Amount	%	Amount	%
	Current Assets					
1100	Cash and Cash equivalents	4, 6.1	$781,120	9	$1,929,079	23
1110	Financial Assets at Fair Value Through Profit or Loss, Current	4, 6.2	312,913	4	295,436	3
1120	Financial Assets at Fair Value Through Other Comprehensive Income, Current	4, 6.3	22,102	-	22,832	-
1136	Financial Assets Measured at Amortized Cost, Current	4, 6.4, 8	678	-	-	-
1150	Notes Receivable, Net	4, 6.5, 6.16	42,639	1	40,780	1
1170	Accounts Receivable, Net	4, 6.6, 6.16	1,270,916	15	1,062,603	13
1200	Other Receivables		5,880	-	2,149	-
130x	Inventories	4, 6.7	2,378,842	28	1,733,892	20
1410	Prepayments	7	118,093	1	76,617	1
1470	Other Current Assets		20	-	-	-
11xx	Total Current Assets		4,933,203	58	5,163,388	61
	Non - Current Assets					
1517	Financial Assets at Fair Value Through Other Comprehensive Income, Non - Current	4, 6.3	1,894,099	22	1,557,416	18
1535	Financial Assets Measured at Amortized Cost, Non - Current	4, 6.4, 8	34,178	-	-	-
1550	Investments Accounted for Using the Equity Method	4, 6.8	157,636	2	133,016	2
1600	Property, Plant and Equipment	4, 6.9, 8	1,311,126	15	1,295,077	15
1755	Right-of-use Asset	4, 6.17	11,986	-	4,333	-
1760	Investment Property, Net	4, 6.10, 8	111,157	1	113,753	1
1840	Deferred Income Tax Assets	4, 6.21	10,496	-	15,627	-
1920	Refundable Deposits	7	198,085	2	212,746	3
1990	Other Non - Current Assets		883	-	823	-
15xx	Total Non - Current Assets		3,729,646	42	3,332,791	39
1xxx	Total Assets		$8,662,849	100	$8,496,179	100

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

English Translation of Financial Statements Originally Issued in Chinese

HONG TAI ELECTRIC INDUSTRIAL CO., LTD.

Consolidated Balance Sheets (continued)

As at December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			December 31, 2024		December 31, 2023	
Code	Items	Notes	Amount	%	Amount	%
	Current Liabilities					
2100	Short - Term Loans	6.11	$-	-	$4,214	-
2130	Contract Liabilities, Current	4, 6.15	163,187	2	108,833	1
2150	Notes Payable		6,769	-	5,859	-
2160	Notes Payable - Related Parties	7	19,006	-	-	-
2170	Accounts Payable		334,355	4	369,158	4
2180	Accounts Payable - Related Parties	7	14,698	-	26,420	-
2200	Other Payables		231,242	3	214,351	3
2230	Current Tax Liabilities	4	125,559	1	57,395	1
2280	Lease Liabilities, Current	4, 6.17	6,984	-	4,035	-
2399	Other Current Liabilities		1,031	-	1,101	-
21xx	Total Current Liabilities		902,831	10	791,366	9
	Non - Current Liabilities					
2550	Provisions, Non - Current	4, 6.12	100,000	1	100,000	1
2570	Deferred Tax Liabilities	4, 6.21	51,178	1	41,457	1
2580	Lease Liabilities, Non - Current	4, 6.17	5,038	-	330	-
2640	Defined Benefit Pension Liability	4, 6.13	2,120	-	8,461	-
2645	Deposits Received		1,606	-	1,597	-
25xx	Total Non - Current Liabilities		159,942	2	151,845	2
2xxx	Total Liabilities		1,062,773	12	943,211	11
31xx	Equity	4, 6.14				
3110	Common Stock		3,160,801	37	3,160,801	37
3200	Capital Surplus		191,704	2	191,704	2
3300	Retained Earnings					
3310	Legal Reserve		1,167,221	13	1,096,954	13
3320	Special Reserve		-	-	179,492	2
3350	Unappropriated Earnings		3,181,860	37	2,883,290	34
	Total Retained Earnings		4,349,081	50	4,159,736	49
3400	Other Equity					
3410	Exchange Differences on Translation of Foreign Operations		(318,813)	(4)	(345,854)	(4)
3420	Unrealized Gains or Losses on Financial Assets Measured at Fair Value Through Other Comprehensive Income		214,904	3	384,147	5
	Total Other Equity		(103,909)	(1)	38,293	1
	Total Equity Attributable to Owners of the Parent Company		7,597,677	88	7,550,534	89
36xx	Non - Controlling Interest		2,399	-	2,434	-
3xxx	Total Equity		7,600,076	88	7,552,968	89
	Total Liabilities and Equity		$8,662,849	100	$8,496,179	100

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

English Translation of Financial Statements Originally Issued in Chinese

HONG TAI ELECTRIC INDUSTRIAL CO., LTD.

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

Code	Items	Notes	2024		2023	
			Amount	%	Amount	%
4000	Operating Revenue	4, 6.15, 7	$6,583,904	100	$6,195,025	100
5000	Operating Costs	6.7, 6.13, 6.18, 7	(5,541,050)	(84)	(5,323,372)	(86)
5900	Gross Margin		1,042,854	16	871,653	14
6000	Operating Expenses	6.13, 6.18, 7	(244,521)	(4)	(261,591)	(4)
6450	Expected Credit Impairment (Losses) Gains	4, 6.16	1,830	-	(3,989)	-
	Total Operating Expenses		(242,691)	(4)	(265,580)	(4)
6900	Operating Income (Loss)		800,163	12	606,073	10
7000	Non-operating Income and Expenses	6.19				
7100	Interest Income		17,084	-	14,743	-
7010	Other Income	7	100,815	2	70,381	1
7020	Other Gains and Losses		9,641	-	21,426	-
7050	Finance Cost		(1,737)	-	(1,378)	-
7060	Share of Profit or Loss of Subsidiaries, Associates and Joint Ventures Accounted for Using the Equity Method	4, 6.8	18,937	-	45,343	1
	Total Non-operating Income and Expenses		144,740	2	150,515	2
7900	Income (Loss) Before Income Tax		944,903	14	756,588	12
7950	Income Tax (Expense) Benefits	4, 6.21	(191,676)	(3)	(127,837)	(2)
8200	Net Income (Loss)		753,227	11	628,751	10
8300	Other Comprehensive Income (Loss)	6.20				
8310	Items that will not be Reclassified Subsequently to Profit or Loss					
8311	Remeasurements of Defined Benefit Plans	6.13	3,850	-	4,361	-
8316	Unrealized Gains (Losses) from Equity Instruments Investments Measured at Fair Value Through Other Comprehensive Income		(96,641)	(1)	325,553	5
8349	Income Tax Related to Items that will not be Reclassified Subsequently	6.21	(8,062)	-	(5,235)	-
8360	Items that may be Reclassified Subsequently to Profit or Loss					
8361	Foreign Operating Agency Financial Statement Exchange Difference		10,871	-	(2,267)	-
8367	Unrealized Gains (Losses) from Debt Instruments Investments Measured at Fair Value Through Other Comprehensive Income		-	-	57	-
8370	Share of Other Comprehensive Income(Loss) of Affiliated Companies and Joint Ventures Recognized Using the Equity Method-items that may be Reclassified to Profit or Loss	4, 6.8	16,170	-	(30,478)	-
	Other Comprehensive Income (Loss)		(73,812)	(1)	291,991	5
8500	Total Comprehensive Income (Loss)		$679,415	10	$920,742	15
8600	Net Profit Attributable To:					
8610	Attributable to the owner of the parent company		$753,117	11	$628,467	10
8620	Non-controlling Interest		110	-	284	-
			$753,227	11	$628,751	10
8700	Total Comprehensive Income (Loss) Attributable To:					
8710	Attributable to the owner of the parent company		$679,306	10	$920,457	15
8720	Non-controlling Interest		109	-	285	-
			$679,415	10	$920,742	15
	Earnings Per Share (NTD)	6.22				
9750	Earnings Per Share - Basic		$2.38		$1.99	
9850	Earnings Per Share - Diluted		$2.37		$1.98	

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

English Translation of Financial Statements Originally Issued in Chinese

HONG TAI ELECTRIC INDUSTRIAL CO., LTD.

Consolidated Statements of Changes in Equity

For the Years Ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		Equity attributable to owners of the parent company									
				Retained Earnings			Other Components of Equity				
Code	Items	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Difference on Translation of Foreign Operations	Unrealized Gains or Losses on Financial Assets Measured at Fair Value through Other Comprehensive Income	Equity Attributable to Owners of the Parent Company Total	Non-Controlling Interest	Total Equity
		3100	3200	3310	3320	3350	3410	3420	31XX	36XX	3XXX
A1	Balance as at January 1, 2023	$3,160,801	$191,704	$1,061,473	$-	$2,869,712	$(313,109)	$133,616	$7,104,197	$2,182	$7,106,379
	Appropriation and Distribution of the Earnings for the year 2022										
B1	Legal Reserve	-	-	35,481	-	(35,481)	-	-	-	-	-
B3	Special Reserve	-	-	-	179,492	(179,492)	-	-	-	-	-
B5	Cash Dividends	-	-	-	-	(474,120)	-	-	(474,120)	-	(474,120)
D1	Net Income (Loss) in 2023	-	-	-	-	628,467	-	-	628,467	284	628,751
D3	Other Comprehensive Income (Loss) in 2023	-	-	-	-	3,489	(32,745)	321,246	291,990	1	291,991
D5	Total Comprehensive Income (Loss) in 2023	-	-	-	-	631,956	(32,745)	321,246	920,457	285	920,742
O1	Increase (Decrease) in Non-controlling Interests	-	-	-	-	-	-	-	-	(33)	(33)
Q1	Disposal of Equity Instruments Investments Measured at Fair Value Through Other Comprehensive Income	-	-	-	-	70,715	-	(70,715)	-	-	-
Z1	Balance as at December 31, 2023	$3,160,801	$191,704	$1,096,954	$179,492	$2,883,290	$(345,854)	$384,147	$7,550,534	$2,434	$7,552,968
A1	Balance as at January 1, 2024	$3,160,801	$191,704	$1,096,954	$179,492	$2,883,290	$(345,854)	$384,147	$7,550,534	$2,434	$7,552,968
	Appropriation and Distribution of the Earnings for the year 2023										
B1	Legal Reserve	-	-	70,267	-	(70,267)	-	-	-	-	-
B5	Cash Dividends	-	-	-	-	(632,160)	-	-	(632,160)	-	(632,160)
B17	Special Reserve Reversed	-	-	-	(179,492)	179,492	-	-	-	-	-
D1	Net Income (Loss) in 2024	-	-	-	-	753,117	-	-	753,117	110	753,227
D3	Other Comprehensive Income (Loss) in 2024	-	-	-	-	3,080	27,041	(103,932)	(73,811)	(1)	(73,812)
D5	Total Comprehensive Income (Loss) in 2024	-	-	-	-	756,197	27,041	(103,932)	679,306	109	679,415
M7	Changes in Ownership Interests in Subsidiaries	-	-	-	-	(3)	-	-	(3)	(61)	(64)
O1	Increase (Decrease) in Non-controlling Interests	-	-	-	-	-	-	-	-	(83)	(83)
Q1	Disposal of Equity Instruments Investments Measured at Fair Value Through Other Comprehensive Income	-	-	-	-	65,311	-	(65,311)	-	-	-
Z1	Balance as at December 31, 2024	$3,160,801	$191,704	$1,167,221	$-	$3,181,860	$(318,813)	$214,904	$7,597,677	$2,399	$7,600,076

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

English Translation of Financial Statements Originally Issued in Chinese

HONG TAI ELECTRIC INDUSTRIAL CO., LTD.

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

Code	Items	2024 Amounts	2023 Amounts
AAAA	Cash Flows From Operating Activities		
A10000	Income Before Income Tax	$944,903	$756,588
A20000	Adjustments to Reconcile Income Before Income Tax to Net Cash Provided By Operating Activities:		
A20100	Depreciation expense	78,957	88,471
A20200	Amortization expense	323	1,526
A20300	Expected Credit Impairment (Gains) Losses	(1,830)	3,989
A20900	Interest Expense	1,737	1,378
A21200	Interest Income	(17,084)	(14,743)
A21300	Dividend Income	(78,311)	(41,039)
A22300	Share of Profit or Loss of Subsidiaries, Associates and Joint Ventures for Using the Equity Method	(18,937)	(45,343)
A22500	(Gain) Loss on Disposal of Property, Plant and Equipment	(4,018)	23,373
A22700	(Gain) Loss on Disposal of Investment Property	(4,253)	-
A23100	(Gain) Loss on Disposal of Investments	(439)	-
A23800	Reversal of Impairment Loss Recognised in Profit or Loss, Non-financial Assets	(144)	(144)
A30000	Changes in Operating Assets and Liabilities		
A31115	(Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss	(17,477)	(31,311)
A31130	(Increase) Decrease in Notes Receivable	(1,859)	28,845
A31150	(Increase) Decrease in Accounts Receivable	(206,483)	(248,204)
A31180	(Increase) Decrease in Other Receivables	(511)	3,757
A31200	(Increase) Decrease in Inventories	(644,950)	114,897
A31230	(Increase) Decrease in Prepayments	(26,093)	(21,443)
A31240	(Increase) Decrease in Other Current Assets	(20)	-
A32125	Increase (Decrease) in Contract Liabilities	54,354	(35,108)
A32130	Increase (Decrease) in Notes Payable	910	755
A32140	Increase (Decrease) in Notes Payable- Related Partires	19,006	(63,177)
A32150	Increase (Decrease) in Accounts Payable	(34,803)	44,281
A32160	Increase (Decrease) in Accounts Payable - Related Parties	(11,722)	(12,638)
A32180	Increase (Decrease) in Other Payables	15,964	26,168
A32200	Increase (Decrease) in Provisions	-	(20,000)
A32230	Increase (Decrease) in Other Current Liabilities	(70)	(152)
A32240	Increase (Decrease) in Defined Benefit Pension Liability	(2,491)	(14,595)
A33000	Cash Generated (Outflow) From Operations	44,659	546,131
A33100	Interest Received	15,211	14,594
A33200	Dividend Received	10,753	6,999
A33500	Income Tax Paid	(116,722)	(201,643)
AAAA	Net Cash Provided by (Used in) Operating Activities	(46,099)	366,081
BBBB	Cash Flows from Investing Activities		
B00010	Acquisition of Financial Assets at Fair Value Through Comprehensive Income	(741,824)	(426,968)
B00020	Proceeds from Disposal of Financial Assets at Fair Value Through Comprehensive Income	298,858	226,719
B00030	Return Capital from Financial Assets at Fair Value Through Other Comprehensive Income	15,704	11,229
B00040	Acquisition of Financial Assets Measured at Amortized Cost	(34,856)	-
B02000	Increase in Current Prepayments for Investments	(15,383)	(21,300)
B02700	Acquisition of Property, Plant and Equipment	(92,453)	(109,589)
B02800	Proceeds from Disposal of Property, Plant and Equipment	9,316	41,623
B03700	Increase in Refundable Deposits	-	(143,366)
B03800	Decrease in Refundable Deposits	14,661	-
B05500	Proceeds from Disposal of Investment Property	6,031	-
B06700	Increase in Other Non-current Assets	(383)	(100)
B07600	Dividend Received	84,150	41,638
BBBB	Net cash Provided by (Used in) Investing Activities	(456,179)	(380,114)
CCCC	Cash Flows from Financing Activities		
C00100	Increase in Short - term Loans	-	4,214
C00200	Decrease in Short - term Loans	(4,214)	-
C03000	Increase in Deposits Received	9	-
C04020	Cash Payments for the Principal Portion of the Lease Liability	(6,063)	(5,564)
C04500	Payment of Cash Dividends	(632,160)	(474,120)
C05400	Acquisition of Ownership Interests in Subsidiaries	(64)	-
C05600	Interest Paid	(1,632)	(1,290)
C05800	Changes in non-controlling interests	(83)	(33)
CCCC	Net cash Provided by (Used in) Financing Activities	(644,207)	(476,793)
DDDD	The Impact of Exchange Rate Changes on Cash and Cash Equivalents	(1,474)	(797)
EEEE	Net Increase (Decrease) in Cash and Cash equivalents	(1,147,959)	(491,623)
E00100	Cash and Cash equivalents, Beginning of the Year	1,929,079	2,420,702
E00200	Cash and Cash equivalents, End of the Year	$781,120	$1,929,079

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

English Translation of Financial Statements Originally Issued in Chinese

Hong Tai Electric Industrial Co., Ltd.
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023
(Amounts expressed in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. History and organization

Hong Tai Electric Industrial Co., LTD ("the Company") was founded in August 1968. The main activities of the Company are the manufacturing, processing and sales of wires and cables, communication products and equipment and accessories. The Company's common shares were publicly listed on the Taiwan Stock Exchange (TWSE) in February 1993. The Company's registered office and the main business location is at No. 2, Guojian 1st Rd., Guanyin Dist., Taoyuan, Republic of China (R.O.C.).

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of the company and its subsidiaries ("the Group") for the years ended December 31, 2024 and 2023 were authorized for issue in accordance with a resolution of the Board of Directors on March 21, 2025.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first-time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2024. The adoption of these new standards and amendments had no material impact on the Group.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which have been endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Lack of Exchangeability – Amendments to IAS 21	January 1, 2025

(a) Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC on or after January 1, 2025. All standards and interpretations have no material impact on the Group.

(3) Standards or interpretations issued, revised or amended, by IASB which have not been endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	January 1, 2023
c	IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
d	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
e	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	January 1, 2026
f	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
g	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 1, 2026

(a) IFRS 10“Consolidated Financial Statements” and IAS 28“Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

(b) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

(c) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

(1) Improved comparability in the statement of profit or loss (income statement)
IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities’ performance and make it easier to compare entities.

(2) Enhanced transparency of management-defined performance measures
IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(3) Useful grouping of information in the financial statements
IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(d) Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures – Amendments to IFRS 19

This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

(e) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

(1) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.

(2) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.

(3) Clarify the treatment of non-recourse assets and contractually linked instruments.

(4) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

(f) Annual Improvements to IFRS Accounting Standards – Volume 11

(1) Amendments to IFRS 1
The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.

(2) Amendments to IFRS 7
The amendments update an obsolete cross-reference relating to gain or loss on derecognition.

(3) Amendments to Guidance on implementing IFRS 7
The amendments improve some of the wordings in the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures.

(4) Amendments to IFRS 9
The amendments add a cross-reference to resolve potential confusion for a lessee applying the derecognition requirements and clarify the term “transaction price”.

(5) Amendments to IFRS 10
The amendments remove the inconsistency between paragraphs B73 and B74 of IFRS 10.

(6) Amendments to IAS 7
The amendments remove a reference to “cost method” in paragraph 37 of IAS 7.

(g) Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

(1) Clarify the application of the ‘own-use’ requirements.
(2) Permit hedge accounting if these contracts are used as hedging instruments.
(3) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under (c), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

4. Summary of significant accounting policies

(1) Statement of compliance

The consolidated financial statements of the Group for the years ended December 31, 2024 and 2023 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and International Financial Reporting Standards, International Accounting Standards, Interpretations issued by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by the FSC (“TIFRS”).

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars (“NT$”) unless otherwise stated.

(3) Basis of consolidation

Preparation principle of consolidated financial statement

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

(a) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
(b) exposure, or rights, to variable returns from its involvement with the investee, and
(c) the ability to use its power over the investee to affect its returns

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee
(b) rights arising from other contractual arrangements
(c) the Company's voting rights and potential voting rights

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Company loses control of a subsidiary, it:

(a) derecognizes the assets (including goodwill) and liabilities of the subsidiary;
(b) derecognizes the carrying amount of any non-controlling interest;
(c) recognizes the fair value of the consideration received;
(d) recognizes the fair value of any investment retained;
(e) reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss, or transfers directly to retained earnings if required by other IFRSs; and
(f) recognizes any resulting differences in profit or loss.

The consolidated entities are listed as follows:

Investor	Subsidiary	Main businesses	As of December 31, 2024	As of December 31, 2023
The Company	Moneywin International Limited	Investing	100.00%	100.00%
The Company	Safety Investment Corp.	Investing	100.00%	99.95%
The Company and Safety Investment Corp.	Hong-Hong Engineer Co. Ltd.	Cable installation project	96.00%	96.00%

(4) Foreign currency transactions

The Group's consolidated financial statements are presented in NT$, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

(a) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
(b) Foreign currency items within the scope of IFRS 9 *Financial Instruments* are accounted for based on the accounting policy for financial instruments.
(c) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following are accounted for as disposal even if an interest in the foreign operation is retained by the Group: the loss of control over a foreign operation, the loss of significant influence over a foreign operation, or loss of joint control over a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6) Current and non-current distinction

An asset is classified as current when:

(a) The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
(b) The Group holds the asset primarily for the purpose of trading
(c) The Group expects to realize the asset within twelve months after the reporting period
(d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(a) The Group expects to settle the liability in its normal operating cycle
(b) The Group holds the liability primarily for the purpose of trading
(c) The liability is due to be settled within twelve months after the reporting period
(d) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(7) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value as cash equivalents (including time deposits with maturing of less than 12 months).

(8) Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities.

(a) Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

A. the Group's business model for managing the financial assets and
B. the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as notes receivable, trade receivables, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

A. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
B. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

A. purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

B. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

A. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
B. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

A. A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
B. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
C. Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

    (i) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
    (ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

(b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Group measures expected credit losses of a financial instrument in a way that reflects:

A. an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
B. the time value of money; and
C. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follows:

A. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
B. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
C. For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.
D. For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

(c) Derecognition of financial assets

A financial asset is derecognized when:

A. The rights to receive cash flows from the asset have expired
B. The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred
C. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(d) Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. A financial liability is classified as held for trading if:

A. it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
B. on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
C. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

A. it eliminates or significantly reduces a measurement or recognition inconsistency; or
B. a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Derivative instrument

The Group uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss except for derivatives that are designated as and effective hedging instruments which are classified as financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value though profit or loss.

(10) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(11) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials – Based on the actual purchase cost, using the weighted average method.

Finished goods and work in progress – Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

(12) Investments accounted for using the equity method

The Group's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Group's percentage of ownership interests in the associate or joint venture, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a prorata basis.

When the associate or joint venture issues new stock, and the Group's interest in an associate or a joint venture is reduced or increased as the Group fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in additional paid in capital and investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 *Impairment of Assets*. In determining the value in use of the investment, the Group estimates:

(a) Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
(b) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets.*

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(13) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment.* When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	2～55 years
Machinery and equipment	2～15 years
Office equipment	1～8 years
Transportation equipment	1～5 years
Miscellaneous equipment	1～15 years
Right-of-use assets/leased assets	1～11 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(14) Investment property

The Group's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, investment properties are measured using the cost model in accordance with the requirements of IAS 16 *Property, plant and equipment* for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	30～50 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Group decides to transfer to or from investment properties based on actual usage of the assets.

Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(15) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

(a) the right to obtain substantially all of the economic benefits from use of the identified asset; and
(b) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(c) amounts expected to be payable by the lessee under residual value guarantees;
(d) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
(e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

(a) the amount of the initial measurement of the lease liability;
(b) any lease payments made at or before the commencement date, less any lease incentives received;
(c) any initial direct costs incurred by the lessee; and
(d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 "Impairment of Assets" to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements of comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(16) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

<u>Computer software</u>

The cost of computer software is amortized on a straight-line basis over the estimated useful life (1 to 3 years).

A summary of the policies applied to the Group’s intangible assets is as follows:

	Computer software
Useful lives	Finite
Amortization method used	Amortized on a straight- line basis over the estimated useful life
Internally generated or acquired	Acquired

(17) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (“CGU”) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset’s or cash-generating unit’s recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(18) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management’s judgement and other known factors.

(19) Revenue recognition

The Group’s revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follows:

Sale of goods

The Group manufactures and sells goods. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers (i.e. when the customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from the goods). The main products of the Group are wires and cables, and revenue is recognized based on the consideration stated in the contract minus the estimated quantity discount amount. For certain sales of goods transactions, they are usually accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. The Group estimates the discounts using the expected value method based on historical experiences. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and when the uncertainty associated with the variable consideration is subsequently resolved. During the period specified in the contract, refund liability is recognized for the expected volume discounts.

The Group provides its customer with a warranty with the purchase of the products. The warranty provides assurance that the product will operate as expected by the customers. And the warranty is accounted in accordance with IAS 37.

The credit period of the Group’s sale of goods is from 60 to 120 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Group has transferred the goods to customers but does not have a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Group measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

Rendering of services

The Group provides installation services of wires and cables. Such services are separately priced or negotiated, and provided based on contract period. As the Group provides the installation services over the contract period, the customers simultaneously receive and consume the benefits provided by the Group. The performance obligation is fulfilled at a certain point so the revenue should be recognized when the performance obligation is fulfilled.

Most of the contractual considerations of the Group are collected evenly throughout the contract period. When the Group has performed the services to customers but does not have a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. However, for some rendering of services contracts, part of the consideration was received from customers upon signing the contract, and the Group has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component is arised.

(20) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(21) Post-employment benefits

All regular employees of the Group and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee’s name in the specific bank account and hence, not associated with the Group and its domestic subsidiaries. Therefore, fund assets are not included in the Group’s consolidated financial statements.

For the defined contribution plan, the Group and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Group recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

(a) the date of the plan amendment or curtailment, and
(b) the date that the Group recognizes restructuring-related costs or termination benefits

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(22) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax at the reporting date.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

The Group calculates the income basic tax according to the Income Basic Tax Act and compares it with the income tax payable calculated under the Income Tax Act, selecting the higher amount as the provision for current income tax.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

(a) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
(b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

(a) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
(b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform-Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgement

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

(a) Investment properties

Certain properties of the Group comprise a portion that is held to earn rentals or for capital appreciation and another portion that is owner-occupied. If these portions could be sold separately, the Group accounts for the portions separately as investment properties and property, plant and equipment. If the portions could not be sold separately, the property is classified as investment property in its entirety only if the portion that is owner-occupied is under 5% of the total property.

(b) Operating lease commitment－Group as the lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

(b) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. Changes in market prices or future cash flows will affect the recoverable amount of these assets, which may cause the Group to additionally recognize impairment losses or reverse recognized impairment losses.

(c) Accounts receivable－estimation of impairment loss

The Group estimates the impairment loss of accounts receivable at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

(d) Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and changes of the future salary etc.

(e) Inventories evaluation

As inventory must be measured at the lower of cost and net realizable value, the Group must use judgment and estimation to determine the net realizable value of inventory at the reporting date. Due to the influence of international copper prices and frequent fluctuations in raw material prices, the Group assesses the amount of inventory due to normal wear and tear, obsolescence or no market value at the end of the financial reporting period, and offsets the inventory cost to the net realizable value. This inventory evaluation is mainly based on the estimated product demand in a specific period in the future, so major changes may occur.

(f) Provision for warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management’s judgement and other known factors.

(g) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies. As of December 31, 2024, please refer to Note 6 for the Group's unrecognized deferred income tax assets.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of	
	December 31, 2024	December 31, 2023
Cash	$85	$75
Petty cash	701	711
Demand deposits	501,688	823,110
Checking deposits	167,677	172,676
Time deposits	51,304	34,544
Cash equivalents	59,665	897,963
Total	$781,120	$1,929,079

Cash and cash equivalents were not pledged.

Cash and cash equivalents were short-term notes and bills.

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

	As of	
	December 31, 2024	December 31, 2023
Mandatorily measured at fair value through profit or loss:		
Non-derivatives not designated as hedging instruments		
Stocks	$282,931	$263,783
Corporate bonds	23,388	25,531
Government bonds	6,594	6,122
Total	$312,913	$295,436
Current	$312,913	$295,436

Financial assets at fair value through profit or loss were not pledged.

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

	As of	
	December 31, 2024	December 31, 2023
Equity instrument investments measured at fair value through other comprehensive income		
Listed companies stocks	$1,137,414	$870,858
Unlisted companies stocks	778,787	704,153
Subtotal	$1,916,201	1,575,011
Debt instrument investments measured at fair value through other comprehensive income		
Corporate bonds (Total book value)	-	5,180
Add: Fair value adjustment	-	57
Subtotal	-	5,237
Total	$1,916,201	$1,580,248
Current	$22,102	$22,832
Non-Current	1,894,099	1,557,416
Total	$1,916,201	$1,580,248

(a) Financial assets at fair value through other comprehensive income were not pledged.

(b) The Group's dividend income related to equity instrument investments measured at fair value through other comprehensive income for the years ended December 31, 2024 and 2023 were as follows:

	For the years ended	
	December 31, 2024	December 31, 2023
Related to investments held at the end of the reporting period	$67,061	$33,168
Related to investments derecognized during the period	435	1,528
Dividends recognized during the period	$67,496	$34,696

(c) In consideration of the Group's investment strategy, the Group disposed and derecognized partial equity instrument investments measured at fair value through other comprehensive income. Details on derecognition of such investments for the years ended December 31, 2024 and 2023 were as follows:

	For the years ended	
	December 31, 2024	December 31, 2023
The fair value of the investments at the date of derecognition	$293,107	$236,879
The cumulative gain or loss on disposal reclassified from other equity to retained earnings	65,311	70,715

(4) Financial assets measured at amortized cost

	As of	
	December 31, 2024	December 31, 2023
Time deposits – Current	$678	$-
Time deposits – Non Current	34,178	-
Total	$34,856	$-

The Group classified certain financial assets as financial assets measured at amortized cost. Considered to have low credit risk, the lifetime expected credit loss is not material. Please refer to Note 8 for more details on financial assets measured at amortized cost under pledge and Note 12 for details on credit risk.

(5) Notes receivables

	As of	
	December 31, 2024	December 31, 2023
Notes receivable arising from operating activities	$42,639	$40,780
Notes receivable arising from non-operating activities		-
Subtotal (Total book value)	42,639	40,780
Less: loss allowance		-
Total	$42,639	$40,780

(a) Notes receivables were not pledged.

(b) The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6.16 for more details on loss allowance and Note 12 for details on credit risk.

(6) Accounts receivable and accounts receivable - related parties

	As of	
	December 31, 2024	December 31, 2023
Accounts receivable	$1,273,747	$1,067,264
Less: loss allowance	(2,831)	(4,661)
Total	$1,270,916	$1,062,603

(a) Accounts receivables were not pledged.

(b) Accounts receivables are generally on 60-120 day terms. The total carrying amount as of December 31, 2024, and 2023 are NT$1,273,747 thousand and NT$1,067,264 thousand, respectively. Please refer to Note 6.16 for more details on loss allowance of accounts receivable for the years ended December 31, 2024 and 2023. Please refer to Note 12 for more details on credit risk management.

(7) Inventories

	As of	
	December 31, 2024	December 31, 2023
Merchandise	$132,869	$112,083
Finished goods	1,509,482	1,089,555
Work in progress	484,466	348,087
Raw materials	197,780	111,964
Supplies & parts	49,702	44,283
Inventories in transit	-	11,453
Material used in construction	4,543	16,467
Total	$2,378,842	$1,733,892

(a) The following table lists the cost of inventories recognized in expenses of the Group:

	For the years ended	
	December 31, 2024	December 31, 2023
Cost of goods sold	$5,538,778	$5,336,597
(Reversal) loss from the inventory written down to its respective net realizable value	2,272	(13,225)
Total operating cost	$5,541,050	$5,323,372

The Group recognized a gain from price recovery of inventory in the amount of NT$13,225 thousand due to inventory destocking for the year ended December 31, 2023.

(b) No inventories were pledged.

(8) Investments accounted for using the equity method

The following table lists the investments accounted for using the equity method of the Group:

	As of			
	December 31, 2024		December 31, 2023	
Investees	NTD	Percentage of ownership (%)	NTD	Percentage of ownership (%)
Investments in associates:				
South Ocean Holdings Ltd.	$328,120	30.74	$302,246	30.74
Accumulated impairment	(170,484)		(169,230)	
Total	$157,636		$133,016	

(a) Information on the material associate of the Group:

Company name: South Ocean Holdings Ltd.

Judgment with only significant influence: Although the group holds 30.74% of the voting rights of the company, and the other two investors hold 30.56% and 20.19% of the voting rights of the company, only the cooperation of these two investors could prevent the Group from leading the company's vital activities. Therefore, the Group has no control over the company and only has a significant influence.

Nature of the relationship with the associate: South Ocean Holdings Ltd. is in the business of manufacturing and selling related products in the Group's industry chain. The Group invested in South Ocean Holdings Ltd. for the purpose of upstream/downstream integration.

Principal place of business (country of incorporation): Republic of South Africa

Fair value of the investment in the associate when there is a quoted market price for the investment: South Ocean Holdings Ltd. is a listed entity on the South African Stock Exchange. The fair value of the company's investment was NT$215,444 thousand and NT$128,635 thousand as of December 31, 2024 and 2023, respectively.

Reconciliation of the associate's summarized financial information presented to the carrying amount of the Group's interest in the associate:

	As of	
	December 31, 2024	December 31, 2023
Current assets	$1,540,187	$1,222,067
Non-current assets	513,323	450,747
Current liabilities	605,225	424,855
Non-current liabilities	380,881	264,724
Equity	1,067,404	983,235
Proportion of the Group's ownership	30.74%	30.74%
Carrying amount of the investment	$328,120	$302,246

	For the years ended	
	December 31, 2024	December 31, 2023
Operating revenue	$4,391,246	$4,201,863
Profit or loss from continuing operations	$58,320	$150,778
Other comprehensive income	-	277
Total comprehensive income	$58,320	$151,055

(b) The associate had no contingent liabilities or capital commitments as of December 31, 2024 and 2023.

(c) The share of the profit or loss of these associates accounted for using the equity method amounted to NT$18,937 thousand and NT$45,343 thousand for the years ended December 31, 2024 and 2023, respectively. The share of other comprehensive income (loss) of these associates accounted for using the equity method amounted to NT$16,170 thousand and NT$(30,478) thousand for the years ended December 31, 2024 and 2023, respectively.

(9) Property, plant and equipment

	Land and land Improvements	Buildings	Machinery and equipment	Office equipment	Transportation equipment	Miscellaneous equipment	Construction in progress and equipment awaiting examination	Total
Cost:								
As of Jan 1, 2023	$421,725	$832,807	$1,493,822	$22,508	$13,869	$443,915	$14,651	$3,243,297
Additions	-	-	-	-	-	-	108,195	108,195
Disposals	-	-	(777,043)	(309)	(486)	(104,780)	-	(882,618)
Other changes	34,146	35,522	9,441	-	113	13,974	(93,196)	-
As of Dec 31, 2023	455,871	868,329	726,220	22,199	13,496	353,109	29,650	2,468,874
Additions	-	-	-	-	-	-	93,380	93,380
Disposals	(2,533)	(2,875)	(945)	-	-	(4,855)	-	(11,208)
Other changes	-	2,521	19,470	-	540	16,703	(39,234)	-
As of Dec 31, 2024	$453,338	$867,975	$744,745	$22,199	$14,036	$364,957	$83,796	$2,551,046
Accumulated Depreciation and impairment:								
As of Jan 1, 2023	$-	$351,757	$1,201,116	$20,669	$7,049	$328,807	$-	$1,909,398
Depreciation	-	24,011	44,437	413	1,361	11,944	-	82,166
Disposals	-	-	(720,064)	(309)	(486)	(96,764)	-	(817,623)
Other changes	-	-	(144)	-	-	-	-	(144)
As of Dec 31, 2023	-	375,768	525,345	20,773	7,924	243,987	-	1,173,797
Depreciation	-	24,188	35,177	385	1,378	11,049	-	72,177
Disposals	-	(962)	(945)	-	-	(4,003)	-	(5,910)
Other changes	-	-	(144)	-	-	-	-	(144)
As of Dec 31, 2024	$-	$398,994	$559,433	$21,158	$9,302	$251,033	$-	$1,239,920
Net carrying amount as of:								
Dec 31, 2023	$455,871	$492,561	$200,875	$1,426	$5,572	$109,122	$29,650	$1,295,077
Dec 31, 2024	$453,338	$468,981	$185,312	$1,041	$4,734	$113,924	$83,796	$1,311,126

(a) There is no capitalized borrowing costs of the Group’s property, plant and equipment.

(b) Components of building that have different useful lives are main building structure, decoration engineering, mechanical and electrical engineering and roof-repairing engineering, which are depreciated over 40~55 years, 7 years, 5 years and 2 years, respectively.

(c) Please refer to Note 8 for more details on property, plant and equipment under pledge.

(10) Investment property

	Land	Buildings	Total
Cost：			
As of Jan 1, 2023	$105,133	$34,759	$139,892
Disposals	-	-	-
As of Dec 31, 2023	105,133	34,759	139,892
Disposals	(1,013)	(1,150)	(2,163)
As of Dec 31, 2024	$104,120	$33,609	$137,729
Depreciation and impairment：			
As of Jan 1, 2023	$-	$25,317	$25,317
Depreciation	-	822	822
Disposals	-	-	-
As of Dec 31, 2023	-	26,139	26,139
Depreciation	-	818	818
Disposals	-	(385)	(385)
As of Dec 31, 2024	$-	$26,572	$26,572
Net carrying amount as of:			
Dec 31, 2023	$105,133	$8,620	$113,753
Dec 31, 2024	$104,120	$7,037	$111,157

	For the years ended	
	December 31, 2024	December 31, 2023
Rental income from investment property	$4,693	$4,493
Less:		
Direct operating expenses from investment property generating rental income	(1,041)	(947)
Total	$3,652	$3,546

Please refer to Note 8 for more details on Investment property under pledge.

Investment properties held by the Group are not measured at fair value but for which the fair value is disclosed. The fair value measurements of the investment properties are categorized within Level 3. The fair value of investment properties was NT$419,518 thousand and NT$409,717 thousand as of December 31, 2024 and 2023, respectively. The fair value has been determined based on valuations performed by Group management, not by an independent valuer. The valuation method used is refer to the market evaluation of similar item transaction prices in neighboring areas.

(11) Short-term loans

	As of	
	December 31, 2024	December 31, 2023
USANCE loans	$-	$4,214
Interest rate(%)	0.00%	1.20%

As of December 31, 2024 and 2023, the Group's unused credit line of comprehensive loans amounted to approximately NT$1,162,421 thousand and NT$1,042,082 thousand, respectively.

Please refer to Note 8 for more details on bank loans as pledge.

(12) Provisions

	Warranties	
	For the years ended	
	December 31, 2024	December 31, 2023
At the beginning of the year	$100,000	$120,000
Additions	-	-
Changes of current period	-	(20,000)
At the end of the year	$100,000	$100,000
Non-current	$100,000	$100,000

Warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgement and other known factors.

(13) Post-employment benefits

Defined contribution plan

The defined contribution plan of the Group's Employee Retirement Plan is regulated according to the provisions of the Labor Pension Act. In accordance with the Act, contributions made by the employer cannot be lower than 6% of the participant's monthly wages. Therefore, the Group's make 6% contribution of the monthly wages to the Labor Pension personal account of the Bureau of the Labor Insurance on a regular basis.

Expenses under the defined contribution plan for the years ended December 31, 2024 and 2023 were NT$7,880 thousand and NT$13,013 thousand, respectively.

Defined benefits plan

The Group adopts a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Group contributes an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Group assesses the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Group will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandate, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Group does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Group expects to contribute NT$883 thousand to its defined benefit plan during the 12 months beginning after December 31, 2024.

As of December 31, 2024 and 2023, the defined benefit plan of the Group was expected to be expired in March 2047.

Pension costs recognized in profit or loss for the years ended December 31, 2024 and 2023:

	For the years ended	
	December 31, 2024	December 31, 2023
Current period service costs	$825	$1,099
Interest income or expense	(3)	352
Total	$822	$1,451

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Reconciliation in the defined benefit obligation and fair value of plan assets are as follows:

	As of		
	December 31, 2024	December 31, 2023	January 1, 2023
Defined benefit obligation	$68,280	$68,962	$108,226
Plan assets at fair value	(66,160)	(60,501)	(80,809)
Accrued pension liabilities recognized on the balance sheets	$2,120	$8,461	$27,417

Reconciliation of liability (asset) of the defined benefit plan is as follows:

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Benefit Liability (Asset)
As of January 1, 2023	$108,226	$(80,809)	$27,417
Net defined benefit costs:			
Current period service costs	1,099	-	1,099
Net interest expense (income)	1,430	(1,078)	352
Subtotal	2,529	(1,078)	1,451
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	623	-	623
Experience adjustments	(14,774)	-	(14,774)
Remeasurements of plan assets	-	(582)	(582)
Subtotal	(14,151)	(582)	(14,733)
Payments from the plan	(27,642)	25,424	(2,218)
Contributions by employer	-	(3,456)	(3,456)
As of December 31, 2023	68,962	(60,501)	8,461
Net defined benefit costs:			
Current period service costs	825	-	825
Net interest expense (income)	813	(816)	(3)
Subtotal	1,638	(816)	822
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	(1,212)	-	(1,212)
Experience adjustments	4,158	-	4,158
Remeasurements of plan assets	-	(6,795)	(6,795)
Subtotal	2,946	(6,795)	(3,849)
Payments from the plan	(5,266)	2,901	(2,365)
Contributions by employer	-	(949)	(949)
As of December 31, 2024	$68,280	$(66,160)	$2,120

The following significant actuarial assumptions are used to determine the present value of the defined benefit obligation:

	As of	
	December 31, 2024	December 31, 2023
Discount rate	1.49%	1.18%
Expected rate of salary increases	1.00%	1.00%

A sensitivity analysis for significant assumption is as shown below:

	For the years ended			
	December 31, 2024		December 31, 2023	
	Increase defined benefit obligation	Decrease defined benefit obligation	Increase defined benefit obligation	Decrease defined benefit obligation
Discount rate increase by 0.25%	$-	$937	$-	$1,047
Discount rate decrease by 0.25%	963	-	1,076	-
Future salary increase by 0.5%	1,922	-	2,142	-
Future salary decrease by 0.5%	-	1,839	-	2,046

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(14) Equities

(a) Common stock

The Company’s authorized capital was NT$3,980,000 thousand and NT$3,160,801 thousand was issued as of December 31, 2024 and 2023, each at a par value of NT$10, divided into 316,080 thousand shares.

(b) Capital surplus

	As of	
	December 31, 2024	December 31, 2023
Additional paid-in capital	$165,601	$165,601
Treasury share transactions	24,200	24,200
Donated assets received	1,903	1,903
Total	$191,704	$191,704

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

(c) Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

A. Payment of all taxes and dues;
B. Offset prior years' operation losses;
C. Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;
D. Set aside or reverse special reserve in accordance with law and regulations; and
E. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

Considered the Company's coming capital need and the long-term financial planning, as well as the shareholder's interest, the principle of the dividend policy is 20% of the distributable earnings of the year at minimum and cash dividend should be at least 10% of the total dividends. However, if a significant non-recurring income occur in the year, a whole or portion of that income may be retained from the distribution, and is not applicable to the restriction above mentioned.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to "other net deductions from shareholders" equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

Details of the 2024 and 2023 earnings distribution and dividends per share as approved and resolved by the Board of Directors' meeting on March 21, 2025 and March 22, 2024, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT$)	
	2024	2023	2024	2023
Legal reserve	$82,151	$70,267		
Special reserve (reversal) appropriated	103,909	(179,492)		
Common stock - cash dividend	663,768	632,160	$2.1	$2.0
Total	$849,828	$522,935		

Please refer to Note 6.18 for details on employees' compensation and remuneration to directors and supervisors.

(d) Non-controlling interests

	Non-controlling interests
As at January 1, 2024	$2,434
Income attributable to non-controlling interests	110
Other comprehensive income, attributable to non-controlling interests, net of tax:	
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	(1)
Acquisition of equity interests in the subsidiary	(61)
Issuance of cash dividends by the subsidiary	(83)
As at December 31, 2024	$2,399
As at January 1, 2023	$2,182
Income attributable to non-controlling interests	284
Other comprehensive income, attributable to non-controlling interests, net of tax:	
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	1
Issuance of cash dividends by the subsidiary	(33)
As at December 31, 2023	$2,434

(15) Operating revenue

	For the years ended	
	December 31, 2024	December 31, 2023
Sale of goods	$6,583,904	$6,193,939
Service revenue	-	1,086
Total	$6,583,904	$6,195,025

(a) Contract balances

Contract liabilities - current

	For the years ended	
	December 31, 2024	December 31, 2023
Sales of goods		
As at the beginning of the year	$108,833	$143,941
As at the end of the year	163,187	108,833
Difference	$54,354	$(35,108)

The significant changes in the Group's balances of contract liabilities for the years ended December 31, 2024 and 2023 are as follows:

	For the years ended	
	December 31, 2024	December 31, 2023
The opening balance transferred to revenue	$91,953	$73,731
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	146,307	38,623

(b) Transaction price allocated to unsatisfied performance obligations

The Group's transaction price allocated to unsatisfied performance obligations (including partially unsatisfied) amounted to NT$5,198,387 thousand as of December 31, 2024. Management expects that 67% of the transaction price allocated to unsatisfied performance obligations will be recognized as revenue by December 31, 2025. The remaining will be recognized during 2026.

The Group's transaction price allocated to unsatisfied performance obligations (including partially unsatisfied) amounted to NT$4,863,070 thousand as of December 31, 2023. Management expects that 61% of the transaction price allocated to unsatisfied performance obligations will be recognized as revenue by December 31, 2024. The remaining will be recognized during 2025.

(c) Assets recognized from costs to fulfil a contract

None.

(16) Expected credit losses/(gains)

	For the years ended	
	December 31, 2024	December 31, 2023
Operating expenses – Expected credit losses/(gains)		
Accounts receivables	$(1,830)	$3,989

Please refer to Note 12 for more details on credit risk.

The Group measures the loss allowance of its accounts receivables (including note receivables and accounts receivables) at an amount equal to lifetime expected credit losses.

The assessment of the Group's loss allowance for the years ended December 31, 2024 and 2023 are as follows:

The Group considers the grouping of trade receivables by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix, details are as follows:

As of December 31, 2024

		Overdue						
	Not yet due (Note)	<=30 days	31-60 days	61-90 days	91-180 days	181-270 days	>=270 days	Total
Group 1								
Gross carrying amount	$830,940	$1,608	$6	$-	$670	$-	$-	$833,224
Loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Lifetime expected credit losses	-	-	-	-	-	-	-	-
Total	$830,940	$1,608	$6	$-	$670	$-	$-	$833,224

		Overdue						
	Not yet due (Note)	<=30 days	31-60 days	61-90 days	91-180 days	181-270 days	>=270 days	Total
Group 2								
Gross carrying amount	$479,946	$3,216	$-	$-	$-	$-	$-	$483,162
Loss rate	0.44%	21.98%	0.00%	0.00%	0.00%	0.00%	0.00%	
Lifetime expected credit losses	(2,124)	(707)	-	-	-	-	-	(2,831)
Total	$477,822	$2,509	$-	$-	$-	$-	$-	$480,331

As of December 31, 2023

	Not yet due (Note)	Overdue <=30 days	31-60 days	61-90 days	91-180 days	181-270 days	>=270 days	Total
Group 1								
Gross carrying amount	$822,685	$4,066	$9,299	$-	$2,551	$5,360	$-	$843,961
Loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Lifetime expected credit losses	-	-	-	-	-	-	-	-
Total	$822,685	$4,066	$9,299	$-	$2,551	$5,360	$-	$843,961

	Not yet due (Note)	Overdue <=30 days	31-60 days	61-90 days	91-180 days	181-270 days	>=270 days	Total
Group 2								
Gross carrying amount	$260,986	$70	$2,629	$-	$-	$350	$48	$264,083
Loss rate	1.10%	25.71%	52.23%	0.00%	0.00%	100.00%	100.00%	
Lifetime expected credit losses	(2,872)	(18)	(1,373)	-	-	(350)	(48)	(4,661)
Total	$258,114	$52	$1,256	$-	$-	$-	$-	$259,422

(Note) The Group's notes receivables are not overdue.

The movement in the provision for impairment of note receivables and trade receivables for the years ended December 31, 2024 and 2023 is as follows:

	For the years ended December 31, 2024	December 31, 2023
Balance as of January 1	$4,661	$672
Addition (reversal) for the current period	(1,830)	3,989
Write off	-	-
Balance as of December 31	$2,831	$4,661

All provision referred to trade receivables.

(17) Leases

(a) Group as a lessee

The Group leases various properties, including buildings, machinery and equipment, transportation equipment and other equipment. The lease terms range from 1 to 5 years.

The Group's leases effect on the financial position, financial performance and cash flows are as follows:

A. Amounts recognized in the balance sheet

(i) Right-of-use assets

The carrying amount of right-of-use assets

	As of	
	December 31, 2024	December 31, 2023
Buildings	$11,848	$4,157
Machinery and equipment	-	-
Transportation equipment	-	-
Other equipment	138	176
Total	$11,986	$4,333

For the years ended December 31, 2024 and 2023, the Group's additions to right-of-use assets amounted to NT13,615 thousand and NT$658 thousand, respectively.

(ii) Lease liabilities

	As of	
	December 31, 2024	December 31, 2023
Current	$6,984	$4,035
Non-current	5,038	330
Total	$12,022	$4,365

Please refer to Note 6.19(d) for the interest on lease liabilities recognized during the years ended December 31, 2024 and 2023 and refer to Note 12.5 Liquidity Risk Management for the maturity analysis for lease liabilities.

B. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the years ended	
	December 31, 2024	December 31, 2023
Buildings	$5,924	$5,241
Machinery and equipment	-	231
Other equipment	38	12
Total	$5,962	$5,484

C. Income and costs relating to leasing activities

	For the years ended	
	December 31, 2024	December 31, 2023
The expenses relating to short-term leases	$-	$-
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	1,422	720

D. Cash outflow relating to leasing activities

During the years ended December 31, 2024 and 2023, the Group's total cash outflows for leases amounted to NT$7,485 thousand and NT$6,284 thousand, respectively.

E. Other information relating to leasing activities

Extension and termination options

Some of the Group's buildings and machinery and equipment agreement (e.g. property rental agreement) contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Group has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group.

After the commencement date, the Group reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

(b) Group as a lessor

Please refer to Note 6.10 for details on the Group's owned investment properties. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the years ended	
	December 31, 2024	December 31, 2023
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	$4,693	$4,493
Income relating to variable lease payments that do not depend on an index or a rate	-	-
Total	$4,693	$4,493

For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining years as of December 31, 2024 and 2023 are as follows:

	As of	
	December 31, 2024	December 31, 2023
Not later than one year	$4,300	$3,794
Later than one year but not later than two years	4,114	24
Later than two years but not later than three years	4,114	-
Later than three years but not later than four years	4,114	-
Later than four years but not later than five years	3,772	-
Total	$20,414	$3,818

(18) Summary statement of employee benefits, depreciation and amortization expenses by function for the years ended December 31, 2024 and 2023:

	For the year ended December 31, 2024				For the year ended December 31, 2023			
	Operating costs	Operating expenses	Non-operating expenses	Total amount	Operating costs	Operating expenses	Non-operating expenses	Total amount
Employee benefits expense								
Salaries	$177,437	$128,092	$5,661	$311,190	$188,191	$153,844	$6,667	$348,702
Labor and health insurance	14,810	7,062	372	22,244	18,200	9,267	478	27,945
Pension	5,361	3,199	194	8,754	7,441	6,791	282	14,514
Director’s remuneration	7,586	3,887	232	11,705	6,308	3,244	191	9,743
Other employee benefits expense	8,271	2,448	190	10,909	9,051	2,620	173	11,844
Depreciation	68,920	10,037	-	78,957	77,872	10,600	-	88,472
Amortization	-	323	-	323	1,192	334	-	1,526

According to the Articles of Incorporation, 2% to 8% of profit of the current year is distributable as employees' compensation and no higher than 3% of profit of the current year is distributable as remuneration to directors and supervisors. However, the Company's accumulated losses shall first have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on the profit of the years ended December 31, 2024 and 2023, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the years ended December 31 to be 6% and 3% of profit of the year and 5.9% and 2.95% of profit of the year, respectively, recognized as employee benefits expense. As such, employees' compensation and remuneration to directors and supervisors for the year ended December 31, 2024 amounted to NT$62,212 thousand and NT$31,106 thousand, respectively. Employees' compensation and remuneration to directors and supervisors for the year ended December 31, 2023 amounted to NT$48,843 thousand and NT$24,422 thousand, respectively.

The abovementioned distribution of the employee compensation and remuneration to directors and supervisors under salary expenses. Any differences between the estimated amounts and the actual amounts approved by the Board of Directors are adjusted in the subsequent year's profit or loss upon resolution.

A resolution was passed at a Board of Directors meeting held on March 21, 2025 to distribute NT$62,212 thousand and NT$31,106 thousand in cash as employees' compensation and remuneration to directors and supervisors of 2024, respectively. No material differences existed between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended December 31, 2024.

No material differences existed between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended December 31, 2024.

(19) Non-operating income and expenses

(a) Interest income

	For the years ended	
	December 31, 2024	December 31, 2023
Bank interest income	$7,757	$5,789
Financial assets measured at amortized cost	7,810	8,793
Others interest income	1,517	161
Total	$17,084	$14,743

(b) Other income

	For the years ended	
	December 31, 2024	December 31, 2023
Rental income	$6,246	$5,849
Dividend income	78,311	41,039
Other income	16,258	23,493
Total	$100,815	$70,381

(c) Other gains and losses

	For the years ended	
	December 31, 2024	December 31, 2023
Gains (losses) on disposal of property, plant and equipment	$4,019	$(23,373)
Gains (losses) on disposal of investment property	4,253	-
Foreign exchange gains (losses), net	9,448	(3,316)
Gain on reversal of impairment loss	144	144
Gains (losses) on financial assets at fair value through profit or loss (Note)	189	57,303
Other expenses	(8,412)	(9,332)
Total	$9,641	$21,426

Note: Balances were arising from financial assets mandatorily measured at fair value through profit or loss.

(d) Finance costs

	For the years ended	
	December 31, 2024	December 31, 2023
Deposit imputed interest	$1,519	$1,284
Interest on bank loans	113	-
Interest on lease liabilities	105	94
Total	$1,737	$1,378

(20) Components of other comprehensive income

For the year ended December 31, 2024

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$3,850	$-	$3,850	$(770)	$3,080
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	(96,641)	-	(96,641)	(7,292)	(103,933)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	10,871	-	10,871	-	10,871
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income	-	-	-	-	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	16,170	-	16,170	-	16,170
Total other comprehensive income	$(65,750)	$-	$(65,750)	$(8,062)	$(73,812)

For the year ended December 31, 2023

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$4,361	$-	$4,361	$(872)	$3,489
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	325,553	-	325,553	(4,363)	321,190
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	(2,267)	-	(2,267)	-	(2,267)
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income	57	-	57	-	57
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(30,478)	-	(30,478)	-	(30,478)
Total other comprehensive income	$297,226	$-	$297,226	$(5,235)	$291,991

(21) Income tax

The major components of income tax expense (income) are as follows:

Income tax expense (income) recognized in profit or loss

	For the years ended	
	December 31, 2024	December 31, 2023
Current income tax expense (income):		
Current income tax charge	$185,114	$116,200
Adjustments in respect of current income tax of prior periods	(228)	(1,498)
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	6,790	13,135
Total income tax expense (income)	$191,676	$127,837

Income tax relating to components of other comprehensive income

	For the years ended	
	December 31, 2024	December 31, 2023
Deferred tax expense (income):		
Remeasurements of defined benefit plans	$770	$872
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	7,292	4,363
Income tax relating to components of other comprehensive income	$8,062	$5,235

Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended	
	December 31, 2024	December 31, 2023
Accounting profit (loss) before tax from continuing operations	$944,903	$756,588
Tax at the domestic rates applicable to profits in the country concerned	$189,140	$155,200
Corporate income surtax on undistributed retained earnings	9,508	301
Tax effect of revenues exempt from taxation	(16,635)	(23,514)
Tax effect of expenses not deductible for tax purposes	113	375
Tax effect of deferred tax assets/liabilities	-	(4,322)
Adjustments in respect of current income tax of prior periods	(228)	(1,498)
Others income tax adjustments	9,778	1,295
Total income tax expense (income) recognized in profit or loss	$191,676	$127,837

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Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2024

	Beginning balance as of Jan. 1	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Ending balance as of Dec. 31
Temporary differences				
Financial assets at fair value through profit or loss evaluation	$(1,596)	$(190)	$-	$(1,786)
Unrealized Liquidation loss	320	-	-	320
Unrealized exchange loss (gain)	807	(2,457)	-	(1,650)
Impairment on investment property	1,681	-	-	1,681
Impairment on property, plant and equipment	1,372	(29)	-	1,343
Impairment on investments accounted for using the equity method	(39,862)	(4,070)	-	(43,932)
Allowance to reduce inventory to market	6,274	454	-	6,728
Non-current liability－Defined benefit liability	1,692	(498)	(770)	424
Financial assets at fair value through other comprehensive income evaluation	3,482	-	(7,292)	(3,810)
Deferred tax income (expense)		$(6,790)	$(8,062)	
Net deferred tax assets (liabilities)	$(25,830)			$(40,682)
Reflected in balance sheet as follows:				
Deferred tax assets	$15,627			$10,496
Deferred tax liabilities	$41,457			$51,178

For the year ended December 31, 2023

	Beginning balance as of Jan. 1	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Ending balance as of Dec. 31
Temporary differences				
Financial assets at fair value through profit or loss evaluation	$(1,674)	$78	$-	$(1,596)
Unrealized Liquidation loss	320	-	-	320
Unrealized exchange loss (gain)	(1,142)	1,949	-	807
Impairment on investment property	1,681	-	-	1,681
Impairment on property, plant and equipment	1,400	(28)	-	1,372
Impairment on investments accounted for using the equity method	(30,594)	(9,268)	-	(39,862)
Allowance to reduce inventory to market	8,919	(2,645)	-	6,274
Non-current liability－Defined benefit liability	5,483	(2,919)	(872)	1,692
Financial assets at fair value through other comprehensive income evaluation	7,845	-	(4,363)	3,482
Deferred tax income (expense)		$(12,833)	$(5,235)	
Net deferred tax assets (liabilities)	$(7,762)			$(25,830)
Reflected in balance sheet as follows:				
Deferred tax assets	$25,648			$15,627
Deferred tax liabilities	$33,410			$41,457

The following table contains information of the unused tax losses of the Group:

Subsidiary-Safety Investment Corp.

Year	Tax losses for the period	Unused tax losses as at Dec. 31, 2024	Unused tax losses as at Dec. 31, 2023	Expiration year
2016	$17,670	$16,938	$17,106	2026
2017	31,274	31,274	31,274	2027
2024	14	14	902	2034
Total		$48,226	$49,282	

Unrecognized deferred tax assets

As of December 31, 2024 and 2023, deferred tax assets have not been recognized in respect of unused tax losses, unused tax credits and deductible temporary differences amounting to NT$46,484 thousand and NT$46,696 thousand, respectively.

The assessment of income tax returns

As of December 31, 2024, the assessment of the income tax returns of the Company and its subsidiaries is as follows:

	The assessment of income tax returns
The Company	Assessed and approved up to 2022
Subsidiary- Safety Investment Corp.	Assessed and approved up to 2022
Subsidiary- Hong-Hong Engineer Co. Ltd.	Assessed and approved up to 2022

(22) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

	For the years ended December 31, 2024	For the years ended December 31, 2023
Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$753,117	$628,467
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	316,080	316,080
Basic earnings per share (NT$)	$2.38	$1.99

	For the years ended	
	December 31, 2024	December 31, 2023
Diluted earnings per share		
(Loss) profit attributable to ordinary equity holders of the Company (in thousand NT$)	$753,117	$628,467
Profit attributable to ordinary equity holders of the Company after dilution (in thousand NT$)	$753,117	$628,467
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	316,080	316,080
Effect of dilution:		
Employee compensation－stock (in thousands)	2,183	2,091
Weighted average number of ordinary shares outstanding after dilution (in thousands)	318,263	318,171
Diluted earnings per share (NT$)	$2.37	$1.98

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

7. Related party transactions

Information of the related parties that had transactions with the Group during the financial reporting period is as follows:

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
South Ocean Holdings Ltd.	Associate
Lianfa Metal Enterprise Co., Ltd.	Other (Director of the related party)
United Electric Industry Co., Ltd.	Other (Director of the related party)
Key management personnel	Key management personnel

Significant transactions with the related parties

(1) Sales

	For the years ended	
	December 31, 2024	December 31, 2023
Other related parties		
Lianfa Metal Enterprise Co., Ltd.	$39,325	$5,460

The terms and conditions of sales (including prices) to related parties are similar to those with non-related parties.

(2) Purchases

	For the years ended	
	December 31, 2024	December 31, 2023
Other		
Lianfa Metal Enterprise Co., Ltd.	$1,868,120	$1,444,511
United Electric Industry Co., Ltd.	259,163	229,078
Total	$2,127,283	$1,673,589

The terms and conditions of sales (including prices) to related parties are similar to those with non-related parties.

(3) Accounts payables – related parties

	As of	
	December 31, 2024	December 31, 2023
Other		
Lianfa Metal Enterprise Co., Ltd.	$1,735	$1,119
United Electric Industry Co., Ltd.	12,963	25,301
Total	$14,698	$26,420

(4) Notes payables – related parties

	As of	
	December 31, 2024	December 31, 2023
Other		
United Electric Industry Co., Ltd.	$19,006	$-

(5) Share transactions between the Group and the related parties

	December 31, 2024		
	Item	Numbers of shares traded	Prices of shares traded
Key management personnel of the Group			
Key management personnel	Safety Investment Corp.	2,466	$39

(6) Others

	As of	
	December 31, 2024	December 31, 2023
Prepayments		
Other		
United Electric Industry Co., Ltd.	$7,601	$4,384
Refundable deposits		
Other		
Lianfa Metal Enterprise Co., Ltd.	$29,227	$29,227

	As of	
	December 31, 2024	December 31, 2023
Dividend income		
Other		
Lianfa Metal Enterprise Co., Ltd.	$-	$-
United Electric Industry Co., Ltd.	16,361	9,540
Total	$16,361	$9,540
Other income		
Associate		
South Ocean Holdings Ltd.	$722	$805
Other		
Lianfa Metal Enterprise Co., Ltd.	20	-
United Electric Industry Co., Ltd.	1,552	926
Total	$2,294	$1,731
Operating costs		
Other		
United Electric Industry Co., Ltd.	$382	$-
Operating expenses		
Associate		
South Ocean Holdings Ltd.	$303	$255

(7) Key management personnel compensation

	For the years ended	
	December 31, 2024	December 31, 2023
Short-term employee benefits	$57,464	$53,573
Post-employment benefits	392	553
Total	$57,856	$54,126

8. Assets pledged as security

The following table lists assets of the Group pledged as security:

	Carrying amount		
Items	December 31, 2024	December 31, 2023	Secured liabilities
Financial assets measured at amortized cost - Current	$678	$-	Performance guarantee
Financial assets measured at amortized cost - Non current	34,178	-	〃
Property, plant and equipment – land and buildings	780,772	$799,372	Long-term and short - term loans, performance guarantee, general credit limit
Investment property – land and buildings	54,013	54,610	〃
Total	$869,641	$853,982	

9. Significant contingencies and unrecognized contractual commitments

(1) For the needs of bank financing, purchase of materials, sales of goods, tax after release, and engineering guarantee funds, the guarantee bill is issued as follows:

Guaranteed Bill Company	Item	As of December 31, 2024
The Company	Bank loan and purchase guarantee	$60,000
〃	Sales contract guarantee	408,297
〃	Comprehensive Bank Credit Limit	450,000
〃	Performance guarantee and tax guarantee after release	231,358
Total		$1,149,655

(2) As of December 31, 2024, the Company has opened an unused letter of credit for USD 677 thousand, JPY 29,822 thousand and EUR 140 thousand.

(3) As of December 31, 2024, the Company has signed a sales contract and has not yet delivered the amount of NT$1,846,578 thousand.

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

12. Others

(1) Categories of financial instruments

Financial assets

	As of December 31, 2024	As of December 31, 2023
Financial assets at fair value through profit or loss:		
Designated at fair value through profit or loss	$312,913	$295,436
Financial assets at fair value through other comprehensive income	1,916,201	1,580,248
Financial assets measured at amortized cost(Note)	2,332,710	3,246,571
Total	$4,561,824	$5,122,255

Financial liabilities

	As of December 31, 2024	As of December 31, 2023
Financial liabilities at amortized cost:		
Short-term loans	$-	$4,214
Notes and accounts payables (including related parties)	374,828	401,437
Other payables	231,242	214,351
Lease liability	12,022	4,365
Refundable deposits	1,606	1,597
Total	$619,698	$625,964

(Note) Including cash and cash equivalents (excluding cash in hand and petty cash), financial assets measured at amortized cost (including non-current), notes receivables, accounts receivables (including related parties), other receivables (including related parties) and refundable deposits.

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Group also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for foreign currency USD. The information of the sensitivity analysis is as follows:

When NTD strengthens/weakens against foreign currency USD by 1%, the profit for the years ended December 31, 2024 and 2023 is decreased/increased by NT$1,537 thousand and NT$1,344 thousand.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group 's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instrument investments at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2024 and 2023 to decrease/increase by NT$86 thousand and NT$39 thousand, respectively.

Equity price risk

The fair value of the Group's listed and unlisted equity securities is susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed and unlisted equity securities are classified under financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, a change of 1% in the price of the listed equity securities measured at fair value through profit or loss could increase/decrease the Group's profit for the years ended December 31, 2024 and 2023 by NT$2,642 thousand and NT$2,433 thousand, respectively.

At the reporting date, a change of 1% in the price of the listed companies stocks classified as equity instruments investments measured at fair value through other comprehensive income could have an impact of NT$11,374 thousand and NT$8,709 thousand on the equity attributable to the Group for the years ended December 31, 2024 and 2023, respectively.

Please refer to Note 12.8 for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for trade and notes receivable) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to our Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and our Group's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of December 31, 2024 and 2023, trade receivables from top ten customers represent 88% and 77% of the total trade receivables of the Group, respectively. The credit concentration risk of other trade receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

In addition, when the Group assesses that it cannot reasonably expect to recover financial assets (for example, the issuer or debtor has major financial difficulties, or has gone bankrupt), it will be written off.

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments and bank borrowings. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of Dec. 31, 2024					
Loans	$-	$-	$-	$-	$-
Trade payables	374,828	-	-	-	374,828
Other payables	231,242	-	-	-	231,242
Lease liabilities	7,068	5,173	26	-	12,267

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of Dec. 31, 2023					
Loans	$4,214	$-	$-	$-	$4,214
Trade payables	401,437	-	-	-	401,437
Other payables	214,351	-	-	-	214,351
Lease liabilities	4,060	279	66	-	4,405

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2024:

	Short-term loans	Deposit received	Leases liabilities	Total liabilities from financing activities
As of Jan. 1, 2024	$4,214	$1,597	$4,365	$10,176
Cash flows	(4,214)	9	(6,063)	(10,268)
Non-cash changes	-	-	13,720	13,720
As of Dec. 31, 2024	$-	$1,606	$12,022	$13,628

Reconciliation of liabilities for the year ended December 31, 2023:

	Short-term loans	Deposit received	Leases liabilities	Total liabilities from financing activities
As of Jan. 1, 2023	$-	$1,597	$9,236	$10,833
Cash flows	4,214	-	(5,564)	(1,350)
Non-cash changes	-	-	693	693
As of Dec. 31, 2023	$4,214	$1,597	$4,365	$10,176

(7) Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

(a) The carrying amount of cash and cash equivalents, trade receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.

(b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

(c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

(8) Fair value measurement hierarchy

(a) Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(b) Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As of December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Stocks	$264,219	$-	$18,712	$282,931
Corporate conds	23,388	-	-	23,388
Government conds	6,594	-	-	6,594
Financial assets at fair value through other comprehensive income				
Stocks	1,137,414	-	778,787	1,916,201

As of December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Stocks	$243,262	$-	$20,521	$263,783
Corporate bonds	25,531	-	-	25,531
Government bonds	6,122	-	-	6,122
Financial assets at fair value through other comprehensive income				
Stocks	870,858	-	704,153	1,575,011
Debt instruments measured at fair value through other comprehensive income				
Corporate Bonds	5,237	-	-	5,237

Transfers between Level 1 and Level 2 during the period

During the years ended December 31, 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements.

The change details of recurring fair value of Level 3 during the period

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	For the year ended December 31, 2024	
	At fair value through profit or loss	At fair value through other comprehensive income
	Stocks	Stocks
Beginning balances as of January 1, 2024	$20,521	$704,153
Total gains and losses recognized for the year ended December 31, 2024:		
Amount recognized in profit or loss (presented in "other profit or loss")	997	-
Amount recognized in OCI (presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	-	(19,326)
Acquisition/issues for the year ended December 31, 2024	4,001	113,962
Disposal/settlements for year ended December 31, 2024	(6,807)	(19,071)
Transfer in/(out) of Level 3 (Note)	-	-
Fluctuations in exchange	-	(931)
Ending balances as of December 31, 2024	$18,712	$778,787

(Note)The investment subject is converted to listed company.

	For the year ended December 31, 2023	
	At fair value through profit or loss	At fair value through other comprehensive income
	Stocks	Stocks
Beginning balances as of January 1, 2023	$20,795	$603,192
Total gains and losses recognized for the year ended December 31, 2023:		
Amount recognized in profit or loss (presented in "other profit or loss")	(576)	-
Amount recognized in OCI (presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	-	125,272
Acquisition/issues for the year ended December 31, 2023	332	117,001
Disposal/settlements for year ended December 31, 2023	-	(41,428)
Transfer in/(out) of Level 3 (Note)	(30)	(96,555)
Fluctuations in exchange	-	(3,329)
Ending balances as of December 31, 2023	$20,521	$704,153

(Note)The investment subject is converted to listed company.

Total gains and losses recognized in profit or loss for the years ended December 31, 2024 and 2023 in the table above contain gains (losses) related to assets on hand as of December 31, 2024 and 2023 in the amount of NT$997 thousand and NT$(546) thousand, respectively.

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of December 31, 2024

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value through profit or loss					
Stocks	Market approach	discount for lack of marketability	10%~20%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase/decrease in the discount for lack of marketability would result in decrease/increase in the Group's profit or loss by NT$187 thousand
At fair value through other comprehensive income					
Stocks	Market approach	discount for lack of marketability	10%~35%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase/decrease in the discount for lack of marketability would result in decrease/increase in the Group's equity by NT$7,788 thousand

As of December 31, 2023

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value through profit or loss					
Stocks	Market approach	discount for lack of marketability	10%~20%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase/decrease in the discount for lack of marketability would result in decrease/increase in the Group's profit or loss by NT$205 thousand
At fair value through other comprehensive income					
Stocks	Market approach	discount for lack of marketability	10%~35%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase/decrease in the discount for lack of marketability would result in decrease/increase in the Group's equity by NT$7,042 thousand

(c) Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed

As of December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6)	$-	$-	$419,518	$419,518
Investments accounted for using the equity method (please refer to Note 6)	215,444	-	-	215,444

As of December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6)	$-	$-	$409,717	$409,717
Investments accounted for using the equity method (please refer to Note 6)	128,635	-	-	128,635

(9) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	As of December 31, 2024		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$4,689	32.79	$153,733
SGD	154	24.13	3,727
ZAR	8,698	1.75	15,222
CNY	2,098	4.48	9,400
HKD	3,682	4.22	15,538
Investments accounted for using the equity method:			
ZAR	$90,078	1.75	$157,636

	As of December 31, 2023		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$4,378	30.71	$134,447
SGD	116	23.29	2,699
ZAR	20,524	1.66	34,009
CNY	2,095	4.33	9,064
HKD	3,677	3.93	14,455
JPY	10,718	0.22	2,328
Investments accounted for using the equity method:			
ZAR	$80,131	1.66	$133,016
Financial liabilities			
Monetary items:			
USD	$19,401	0.22	$4,214

Due to the various types of corporate functional currencies of the Group, it is not possible to disclose the exchange gains and losses of monetary financial assets and financial liabilities according to the foreign currencies that have a significant impact. The Group's foreign currency exchange gains and losses in 2024 and 2023 were gains of NT$9,664 thousand and losses of NT$3,316 thousand, respectively.

The above information is disclosed based on the foreign currency book value (which has been converted to functional currency).

(10) Capital management

The primary objective of the Group’s capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Other disclosure

(1) Information at significant transactions

(a) Loan funds to others (None).
(b) Endorsement and guarantee for others (None).
(c) Status of holding marketable securities at the end of the period (excluding investment in subsidiaries, affiliates and joint venture equity) (Attachment 1).
(d) The cumulative amount of buying or selling of the same securities amounts to NT$300 million or more than 20% of the paid-in capital (None).
(e) The amount of real estate acquired reaches NT$300 million or more than 20% of the paid-in capital (None).
(f) Disposal of real estate with an amount of NT$300 million or more than 20% of the paid-in capital (None).
(g) The amount of goods purchased or sold with related parties is NT$100 million or more than 20% of the paid-in capital (Attachment 2).
(h) Receivables from related parties amounting to NT$100 million or more than 20% of the paid-in capital (None).
(i) Engaged in derivatives trading (None).
(j) Others: business relations and various transactions and amounts between parent and subsidiary companies and between subsidiaries (Attachment 4).

(2) Information on investees (Attachment 3).

(3) Information on investments in Mainland China (None).

(4) Information on major shareholders (Attachment 5)

14. Segment information

(1) Since 2024, the Group has had only one electricity operating segment. Its mainly business activities include the manufacturing, processing, and sales of electric wires and cables, communication products, and equipments and accessories. The Group's management reviewed the whole operating results of the Group, for making the decision regarding allocation of the Group's resource and assessing the overall performance of the Group. Accordingly, the segment is considered to operate as a single segment.

(2) District Information

Revenue from external customers：

	For the years ended	
	December 31, 2024	December 31, 2023
Taiwan	$6,583,904	$6,193,153
Asia	-	1,872
Total	$6,583,904	$6,195,025

Revenue is classified based on the country where the customer is located.

Non-current assets：

	As of	
	December 31, 2024	December 31, 2023
Taiwan	$3,245,276	$2,916,673
Other Countries	484,370	416,118
Total	$3,729,646	$3,332,791

(3) Important customer information

	As of	
	December 31, 2024	December 31, 2023
A Company	$2,679,485	$2,359,152

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Attachment 1: Securities held as of December 31, 2024 (not including subsidiaries, associates and joint ventures)

Unit: NTD thousand

Company	Type and Name of the Securities	Relationship	Financial Statement Account	As of December 31, 2024				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Hong Tai Electric Industrial Co., Ltd.	Ardentec Corporation	None	Financial assets at fair value through profit or loss, current	191	$10	0.00	$10	
	Advanced Ceramic X Corporation	〃	〃	20,000	3,610	0.03	3,610	
	ITEQ Corporation	〃	〃	250,000	19,675	0.07	19,675	
	Taiwan Semiconductor Manufacturing Co., Ltd.	〃	〃	64,000	68,800	0.00	68,800	
	KGI Financial Holding Co., Ltd.	〃	〃	100,000	1,720	0.00	1,720	
	Macronix International Co., Ltd.	〃	〃	450,000	8,910	0.01	8,910	
	TM Technology, Inc.	〃	〃	136,403	2,878	0.38	2,878	
	Gomaji Corp., Ltd.	〃	〃	300,000	7,800	1.69	7,800	
	Advanced Optoelectronic Technology Inc.	〃	〃	375,000	8,812	0.26	8,812	
	Grand Fortune Securities Co., Ltd.	〃	〃	4,813,694	58,968	1.22	58,968	
	Powerchip Semiconductor Manufacturing Corporation	〃	〃	652,615	10,377	0.02	10,377	
	Twi Biotechnology, Inc.	〃	〃	500,000	5,905	0.57	5,905	
	Raytek Semiconductor, Inc.	The supervisor of the company	〃	1,500,000	8,010	1.25	8,010	
	Lin Bioscience, Inc.	None	〃	40,983	4,797	0.12	4,797	
	Tai Sin Electric Cables Manufacturer Limited	〃	〃	1,580,189	14,870	0.00	14,870	
	Channel Well Technology Co.,Ltd.	〃	〃	22,000	1,558	0.00	1,558	
	Hon Hai Precision Industry Co., Ltd.	〃	〃	12,000	2,208	0.00	2,208	
	Wistron Corporation	〃	〃	21,000	2,184	0.00	2,184	
	Elite Advanced Laser Corporation	〃	〃	9,000	2,583	0.00	2,583	
	Cheming Electronic Technology Corporation	〃	〃	7,000	990	0.00	990	
	Foxtron Vehicle Technologies Co., Ltd.	〃	〃	65,000	2,675	0.00	2,675	
	MO 5.8% 02/14/39	〃	〃	200,000	6,494	0.00	6,494	
	AXP 3.95% 8/1/25	〃	〃	200,000	6,532	0.00	6,532	
	DIS 3.6% 1/13/51	〃	〃	200,000	4,848	0.00	4,848	
	QCOM 4.5% 5/20/52	〃	〃	200,000	5,514	0.00	5,514	
	USTB 4.875% 11/25	〃	〃	200,000	6,594	0.00	6,594	
	Subtotal				267,322		267,322	
	Ardentec Corporation	None	Financial assets at fair value through other comprehensive income, non-current	4,739,000	251,641	0.93	251,641	
	Grand Fortune Securities Co., Ltd.	〃	〃	12,594,298	154,280	3.18	154,280	
	Foresee Pharmaceuticals Co., Ltd.	〃	〃	1,192,244	92,399	0.88	92,399	
	Taiwanj Pharmaceuticals, Co., Ltd.	〃	〃	290,587	2,046	0.39	2,046	
	Twi Biotechnology, Inc.	〃	〃	813,556	9,608	0.93	9,608	
	SyneuRx International (Taiwan) Corp.	〃	〃	305,744	2,293	0.23	2,293	
	Vactronics Technologies Inc.	〃	〃	1,310,882	87,829	1.85	87,829	
	LARGAN Precision Co., Ltd.	〃	〃	24,000	64,200	0.02	64,200	
	Handa Pharmaceuticals, Inc.	〃	〃	582,190	36,748	0.41	36,748	
	Ever Fortune.AI Co., Ltd.	〃	〃	150,000	10,800	0.15	10,800	
	Raydium Semiconductor Corporation	〃	〃	42,000	16,548	0.07	16,548	
	TCM Biotech International Corp.	〃	〃	215,000	10,399	0.00	10,399	
	Co-Tech Development Corp.	〃	〃	430,000	25,155	0.17	25,155	
	Allied Circuit Co., Ltd.	〃	〃	100,000	12,000	0.00	12,000	
	Walsin Lihwa Corporation	〃	〃	330,000	7,821	0.01	7,821	
	Parade Technologies, Ltd.	〃	〃	137,000	105,079	0.15	105,079	
	Nan Ya Plastics Corporation	〃	〃	350,000	10,465	0.00	10,465	
	Nan Ya Technology Corporation	〃	〃	200,000	5,850	0.00	5,850	
	Yang Ming Marine Transport Corporation	〃	〃	220,000	16,654	0.00	16,654	
	Lite-on Technology Corp.	〃	〃	150,000	14,925	0.01	14,925	
	Taiwan Semiconductor Company Limited	〃	〃	40,000	2,128	0.02	2,128	
	Chailease Holding Company Limited	〃	〃	122,000	13,786	0.01	13,786	

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Attachment 1: Securities held as of December 31, 2024 (not including subsidiaries, associates and joint ventures)

Unit: NTD thousand

Company	Type and Name of the Securities	Relationship	Financial Statement Account	As of December 31, 2024				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Hong Tai Electric Industrial Co., Ltd.	Silergy Corp.	None	Financial assets at fair value through other comprehensive income, non-current	5,000	$2,017	0.01	$2,017	
	Actron Technology Corporation	〃	〃	20,000	3,330	0.02	3,330	
	American Belite Bio, Inc.	〃	〃	45,000	79,129	0.00	79,129	
	Foxtron Vehicle Technologies Co., Ltd.	〃	〃	600,000	24,690	0.03	24,690	
	Chung-Hsin Electric & Machinery Mfg. Corp.	〃	〃	100,000	15,400	0.00	15,400	
	Ta Ya Electric Wire & Cable Co.,Ltd.	〃	〃	119,000	5,272	0.01	5,272	
	Hon Hai Precision Industry Co., Ltd.	〃	〃	70,000	12,880	0.00	12,880	
	Gold Circuit Electronics Ltd.	〃	〃	100,000	24,150	0.01	24,150	
	Tatung Company	〃	〃	70,000	3,353	0.00	3,353	
	Giga-Byte Technology Co., Ltd.	〃	〃	60,000	16,350	0.00	16,350	
	Unimicron Technology Corp.	〃	〃	60,000	8,460	0.00	8,460	
	Kinsus Interconnect Technology Corp.	〃	〃	104,000	10,504	0.00	10,504	
	Wistron Corporation	〃	〃	60,000	6,240	0.00	6,240	
	Etron Technology, Inc.	〃	〃	500,000	18,075	0.15	18,075	
	United Electric Industry Co., Ltd.	Director of the related party	〃	6,509,722	132,994	7.81	132,994	
	Lianfa Metal Enterprise Co., Ltd.	〃	〃	8,067,300	148,277	16.13	148,277	
	Athena Capital Management	None	〃	3,000,000	16,710	6.50	16,710	
	Powtec Electrochemical Corporation	〃	〃	11,532,709	-	0.87	-	
	SCI, StemCyte International, Ltd.	〃	〃	550,000	19,800	0.39	19,800	
	American BriVision (Holding) Corporation	〃	〃	1,667	32	0.00	32	
	VM Discovery, Inc.	〃	〃	142,858	13,649	0.57	13,649	
	China Development Financial Holding Corporation	〃	〃	2,586,387	14,484	1.71	14,484	
	Hercules Bioventure, L.P.	〃	〃	210,526	11,831	1.88	11,831	
	Hercules Bioventure II, L.P.	〃	〃	200,000	4,464	4.42	4,464	
	Espero Biopharma Inc.	〃	〃	130,619	-	0.56	-	
	Allpass Limited	〃	〃	255,658	-	0.32	-	
	Raytek Semiconductor, Inc.	The supervisor of the company	〃	2,168,027	11,577	1.81	11,577	
	AmMax Bio, Inc.	None	〃	305,760	8,580	0.41	8,580	
	Foryou Venture Capital Limited Partnership	〃	〃	807,692	6,381	2.51	6,381	
	Dachang Venture Capital	〃	〃	2,000,000	15,060	1.82	15,060	
	eEver Technology Limited	〃	〃	3,039,473	32,461	7.60	32,461	
	Obigen Pharma, Inc.	〃	〃	812,500	20,581	0.77	20,581	
	BlossomHill Therapeutics, Inc.	〃	〃	640,591	55,731	1.75	55,731	
	Elixiron Immunotherapeutics (Cayman) Limited	〃	〃	1,339,566	24,701	1.70	24,701	
	eYs3D Microelectronics, Inc.	〃	〃	1,904,761	21,067	2.02	21,067	
	Clearmind Biomedical, Inc.	〃	〃	400,000	29,508	2.47	29,508	
	Foryou Private Equity Limited Partnership	〃	〃	3,000,000	23,040	3.00	23,040	
	AnHorn Holdings Inc.	〃	〃	581,396	15,151	1.92	15,151	
	AZ Venture Investment II Limited	〃	〃	1,500,000	11,910	12.50	11,910	
	Beiley Biofund, Inc.	〃	〃	3,079,093	23,894	1.50	23,894	
	PieceMakers Technology, Inc.	〃	〃	857,000	19,283	2.51	19,283	
	Subtotal				1,863,670		1,863,670	
	EnFlex Corporation	None	Prepayments for long-term investments	540,000	29,700		29,700	
	Foxwell Power Co., Ltd.	〃	〃	200,000	6,983		6,983	
	Subtotal				36,683		36,683	
	Total				$2,167,675		$2,167,675	

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Attachment 1.1: Securities held as of December 31, 2024 (not including subsidiaries, associates and joint ventures)

Unit: NTD thousand

Company	Type and Name of the Securities	Relationship	Financial Statement Account	As of December 31, 2024				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Safety Investment Corp.	Grand Fortune Securities Co., Ltd.	None	Financial assets at fair value through profit or loss, current	634,735	$7,775	0.16	$7,775	
	TCI CO., Ltd.	〃	〃	744	92	0.00	92	
	Advanced Ceramic X Corporation	〃	〃	20,000	3,610	0.02	3,610	
	TA-I Technology Co., Ltd.	〃	〃	30,000	1,390	0.02	1,390	
	Unictron Technologies Corporation	〃	〃	40,000	2,560	0.08	2,560	
	Wendell Industrial Co., Ltd.	〃	〃	16,799	1,529	0.07	1,529	
	Vivotek Inc.	〃	〃	40,000	4,580	0.05	4,580	
	Giant Manufacturing Co. Ltd.	〃	〃	170,000	24,055	0.04	24,055	
	Subtotal				45,591		45,591	
	Grand Fortune Securities Co., Ltd.	None	Financial assets at fair value through other comprehensive income, current	598,695	7,334	0.15	7,334	
	Lianfa Metal Enterprise Co., Ltd.	〃	〃	398,000	7,315	0.80	7,315	
	Ever Fortune.AI Co., Ltd.	〃	〃	30,000	2,160	0.03	2,160	
	Foresee Pharmaceuticals Co., Ltd.	〃	〃	50,326	3,900	0.04	3,900	
	Beiley Biofund Inc.	〃	〃	179,418	1,393	0.09	1,393	
	Subtotal				22,102		22,102	
	Total				$67,693		$67,693	

(Amounts Expressed in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Attachment 1.2: Securities held as of December 31, 2024 (not including subsidiaries, associates and joint ventures)

Unit: NTD thousand

Company	Type and Name of the Securities	Relationship	Financial Statement Account	As of December 31, 2024				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Moneywin International Ltd.	Hui Xian Real Estate Investment Trust	None	Financial assets at fair value through profit or loss, non-current	315,000	$723 (USD 22 thousand)	0.00	$723	CNY 0.50
	Great Team Backend Foundry, Inc.	〃	〃	849,387	27,852 (USD 849 thousand)	2.94	27,852	USD 1.00
	Pyxis Oncology, Inc.	〃	〃	3,720	245 (USD 7 thousand)	0.00	245	USD 2.01
	American Well Corporation	〃	〃	6,768	1,609 (USD 49 thousand)	0.05	1,609	USD 7.25
	Total				$30,429		$30,429	

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Attachment 2: Purchases or sales of goods from or to related parties exceeding NT$100 million or 20% of paid-in capital or more

Unit: NTD thousand

Purchaser / Seller	Counter-party	Relationship	Transaction				Details of non-arms Length transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	Percentage of total Purchase/Sale	Term	Unit Price	Term	Balance	Percentage of total Receivable (Payable)	
Hong Tai Electric Industrial Co., Ltd.	Lianfa Metal Enterprise Co., Ltd.	Director of the related party	Purchase	$1,868,120	32.74%	60 days	(Note 1)	(Note 1)	$(1,735)	(0.46%)	
〃	United Electric Industry Co., Ltd.	〃	〃	$259,163	4.55%	〃	〃	〃	$(31,969)	(8.54%)	

(Note 1) The transaction terms are similar to those of general transactions.

(Amounts Expressed in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Attachment 3: Names, locations and related information of investee companies as of December 31, 2024 (excluding Mainland China)

Unit: NTD thousand

Investor	Investee	Region	Main Business	Initial Investment		As of Dec 31, 2024			Investees company net income in 2024	Share of Profits/Losses	Note
				Balance at December 31, 2024	Balance at December 31, 2023	Number of shares	Percentage	Amount			
Hong Tai Electric Industrial Co., Ltd.	Safety Investment Corp.	Taiwan	Investing	$37,707	$37,644	8,800,000	100.00%	$121,356	$(1,787)	$(1,789)	
〃	Moneywin International Ltd.	Virgin Islands	Investing	144,991 (USD 4,431 thousand)	144,991 (USD 4,431 thousand)	4,430,860	100.00%	134,021	3,296	3,296	
〃	Hong-Hong Engineer Co. Ltd.	Taiwan	Cable installation engineering industry	18,630	18,630	3,575,880	86.00%	51,591	2,696	2,318	
〃	South Ocean Holdings Ltd.	South Africa	Holding company	492,851	492,851	56,270,187	27.68%	140,838	58,320	17,053	
								$447,806		$20,878	

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HONG TAI ELECTRIC INDUSTRIAL CO., LTD.
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For the Years Ended December 31, 2024 and 2023

(Amounts Expressed in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Attachment 3.1: Names, locations and related information of investee companies as of December 31, 2024－Moneywin International Ltd. (excluding Mainland China)：

Unit: NTD thousand

Investor	Investee	Region	Main Business	Initial Investment		As of Dec 31, 2024			Investees company net income in 2024	Share of Profits/Losses	Note
				Balance at December 31, 2024	Balance at December 31, 2023	Number of shares	Percentage	Amount			
Moneywin International Ltd.	South Ocean Holdings Ltd.	South Africa	Holding company	$71,618 (USD 2,401 thousand)	$71,618 (USD 2,401 thousand)	6,222,630	3.06%	$16,798 (USD 512 thousand)	$58,320	$1,884	

(Amounts Expressed in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Attachment 3.2: Names, locations and related information of investee companies as of December 31, 2024－Safety Investment Corp. (excluding Mainland China)：

Unit: NTD thousand

Investor	Investee	Region	Main Business	Original cost		As of Dec 31, 2024			Investees company net income in 2024	Share of Profits/Losses	Note
				Balance at December 31, 2024	Balance at December 31, 2023	Number of shares	Percentage	Amount			
Safety Investment Corp.	Hong-Hong Engineer Co. Ltd.	Taiwan	Cable installation engineering industry	$2,557	$2,557	415,800	10.00%	$5,999	$2,696	$270	

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Attachment 4: Significant intercompany transactions between consolidated entities

Unit: NTD thousand

No.	Company name	Counterparty	Relationship	Transaction			
				Account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets
0	Hong Tai Electric Industrial Co., Ltd.	Safety Investment Corp.	The Company to subsidiaries	Rent income	$96	Regular	0.00%
				Other income	109	Regular	0.00%
		Hong-Hong Engineer Co. Ltd.	The Company to subsidiaries	Sale	55,794	Regular	0.85%
				Purchase	6,310	Regular	0.10%
				Operating costs	16,947	Regular	0.26%
				Operating expenses	409	Regular	0.01%
				Rent income	576	Regular	0.01%
				Other income	595	Regular	0.01%
				Accounts receivable	5,379	-	0.06%
				Other receivables	30	-	0.00%
				Other payables	1,877	-	0.02%

Attachment 5: Information of major shareholder

Unit: Share

Major shareholder	Number of common shares	Number of special shares	Total	Percentage of shareholding (%)
SLZ INVESTMENT CO., LTD.	23,730,000	-	23,730,000	7.50%
LAWRENCE LI, CHEN	22,884,153	-	22,884,153	7.23%

(Note 1) The information of major shareholders in this table is based on the last business day of the end of each quarter by CCB, and calculates that shareholders hold more than 5% of the company's ordinary shares and special shares that have completed unregistered delivery (including treasury shares). As for the share capital recorded in the company's financial report and the company's actual completed number of shares delivered without physical registration, there may be differences or differences due to different calculation bases.

(Note 2) In the case of the above information, if the shareholder delivers the shares to the trust, it is disclosed in the individual accounts of the trustee who opened the trust account by the trustee. As for the shareholder’s declaration of insider’s equity holding more than 10% of the shares in accordance with the Securities and Exchange Act, their shareholding includes their own shareholding plus the shares delivered to the trust and the right to use the trust property, etc. For information on insider's equity declaration, please refer to Market Observation Post System.