Stock Code:6271

TONG HSING ELECTRONIC INDUSTRIES, LTD.
AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2024 and 2023

Address: No. 88, Ln. 1125, Heping Rd., Bade Dist., Taoyuan City
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Representation Letter

The entities that are required to be included in the combined financial statements of Tong Hsing Electronic Industries, Ltd. as of and for the year ended December 31, 2024 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements. " endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Tong Hsing Electronic Industries, Ltd. and subsidiaries do not prepare a separate set of combined financial statements.

Company name: Tong Hsing Electronic Industries, Ltd.
Chairman: Tie-Min, Chen
Date: February 27, 2025

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Independent Auditors' Report

To the Board of Directors of Tong Hsing Electronic Industries, Ltd.:

Opinion

We have audited the consolidated financial statements of Tong Hsing Electronic Industries, Ltd. and its subsidiaries ("the Group") which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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. The key audit matters we judged shall be presented in the auditors' report as follows:

1. Valuation of inventories

Please refer to Note (4)(h) "Inventories" of the consolidated financial statements for accounting policies; Note (5)(a) "Valuation of inventories" for accounting assumptions and estimation uncertainty of inventories valuation. Information regarding inventories and related expenses are shown in Note (6)(f) of the consolidated financial statements.

Description of key audit matter:

Due to the impact of product life cycle and industrial competition in electronics industry, the price variability for the inventories of the Group is expected. Therefore, the inventories valuation is one of the key audit matters in our audit.

How the matter was addressed in our audit:

Our principal audit procedures included assessing the reasonableness of the Group's policies for allowance for inventories valuation and obsolescence losses, and whether they are in accordance with the related standards. In addition, our audit procedures included obtaining the detailed calculations for the loss allowance of inventories to verify whether it is consistent with the account record; as well as testing the interval classification of the inventory aging report and the relevant value of the calculation table of the lower of the cost, and the net realizable value, to assess the reasonableness of the management's estimates on the net realizable value for inventories.

2. Impairment evaluation of intangible assets

Please refer to Note (4)(m) "intangible assets" and Note (4)(n) "Impairment of non-financial assets" of the consolidated financial statements for the accounting policies related to the impairment of intangible assets; Note (5)(b) for the accounting estimations and assumptions uncertainty for goodwill impairment; Note (6)(j) "intangible assets" for details related to impairment of intangible assets.

Description of key audit matter:

The Group fully acquired KINGPAK Technology Inc. by stock exchange on June 19, 2020 (the effective date). The reference date of the merger is June 30, 2022. Management periodically assesses if there is any indication of impairment. The amounts of investments are significant, and assessing intangible assets such as goodwill involves complex calculations. Thus, the impairment evaluation of intangible assets is one of the most important evaluations in performing our audit procedures of the Group's financial statements.

How the matter was addressed in our audit:

Our principal audit procedures included the following:

- Understand and assess the cash-generating unit that the management has identified to impair and any indication of impairment, the reasonableness of the management's method of measuring the recoverable amount, and the accuracy of management's past forecasts.
- Evaluate the professional competence, objectivity, experience, and valuation of external professionals.
- Assess the appropriateness and correctness of the variables from the external professional's appraisal pertaining to the testing of the impairment of the cash-generating unit.

Other Matter

Tong Hsing Electronic Industries, Ltd. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinion.

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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 Group's and its subsidiaries's internal control.

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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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's to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group's 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 the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Wang, I-Wen and Hsin, Yu-Ting.

KPMG

Taipei, Taiwan (Republic of China)
February 27, 2025

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the 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.

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note (6)(a))	$ 3,007,906	9	4,746,867	14
1110	Current financial assets at fair value through profit or loss (note (6)(b))	3,117,888	9	391,321	1
1136	Current financial assets at amortized cost (note (6)(d))	876,427	3	-	-
1170	Accounts receivable, net (note (6)(e))	2,095,279	6	2,074,577	7
1200	Other receivables	82,723	-	78,806	-
1310	Inventories (note (6)(f))	1,732,862	5	1,592,699	5
1410	Prepayments	71,682	-	95,505	-
1461	Non-current assets held for sale (note (6)(g))	39,458	-	-	-
1470	Other current assets (note (6)(s))	128,270	-	125,823	-
1476	Other current financial assets (note (8))	35,448	-	32,041	-
		11,187,943	32	9,137,639	27
	Non-current assets:				
1510	Non-current financial assets at fair value through profit or loss (note (6)(b))	571,870	2	686,256	2
1517	Non-current financial assets at fair value through other comprehensive income (note (6)(c))	310,316	1	320,815	1
1535	Non-current financial assets at amortized cost (note (6)(d))	2,467,108	7	2,843,331	8
1600	Property, plant and equipment (notes (6)(h), (7) and (8))	11,358,470	33	11,876,485	36
1755	Right-of-use assets (note (6)(i))	165,427	-	146,165	-
1760	Investment property, net	28,648	-	28,648	-
1780	Intangible assets (note (6)(j))	8,186,491	24	8,275,657	25
1840	Deferred tax assets (note (6)(p))	298,820	1	299,007	1
1900	Other non-current assets	27,931	-	43,022	-
1975	Non-current net defined benefit assets (note (6)(o))	7,555	-	-	-
1980	Other non-current financial assets (note (8))	5,000	-	5,405	-
		23,427,636	68	24,524,791	73
	Total assets	$ 34,615,579	100	33,662,430	100

		December 31, 2024		December 31, 2023	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2120	Current financial liabilities at fair value through profit or loss (note (6)(b))	$ 29,454	-	789	-
2130	Current contract liabilities (note (6)(s))	90,465	-	187,230	1
2170	Notes and accounts payable	787,984	2	726,115	2
2200	Other payables (notes (6)(m) and (7))	1,866,276	5	2,005,187	5
2230	Current tax liabilities	264,100	1	223,605	1
2250	Current provisions	217,612	1	275,502	1
2280	Current lease liabilities (note (6)(n))	26,399	-	26,614	-
2300	Other current liabilities	14,425	-	39,995	-
2322	Long-term borrowings, current portion (note (6)(l))	1,590,855	5	-	-
		4,887,570	14	3,485,037	10
	Non-current liabilities:				
2540	Long-term borrowings (note (6)(l))	3,431,597	10	5,227,817	16
2570	Deferred tax liabilities (note (6)(p))	226,708	1	168,703	1
2580	Non-current lease liabilities (note (6)(n))	136,174	-	121,537	-
2600	Other non-current liabilities (note (6)(l))	78,939	-	149,722	-
2640	Non-current net defined benefit liabilities (note (6)(o))	21,732	-	68,159	-
		3,895,150	11	5,735,938	17
	Total liabilities	8,782,720	25	9,220,975	27
	Equity:				
	Equity attributable to owners of parent: (note (6)(q))				
3100	Ordinary shares	2,090,581	6	2,090,581	6
3200	Capital surplus	15,117,641	44	15,115,876	45
3310	Legal reserve	2,266,982	7	2,150,081	6
3320	Special reserve	169,408	-	169,408	1
3350	Unappropriated earnings	6,066,980	18	4,936,725	15
3400	Other equity	75,693	-	(21,216)	-
	Total equity attributable to owners of parent:	25,787,285	75	24,441,455	73
36XX	**Non-controlling interests**	45,574	-	-	-
	Total equity	25,832,859	75	24,441,455	73
	Total liabilities and equity	$ 34,615,579	100	33,662,430	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, except for Earnings Per Share)

		2024		2023	
		Amount	**%**	**Amount**	**%**
4000	**Sales revenue**	$ 12,196,576	101	11,776,971	102
4170	Less: sales returns and allowances	105,582	1	192,062	2
4100	**Net operating revenues (notes (6)(s) and (14))**	12,090,994	100	11,584,909	100
5110	**Operating costs (notes (6)(f), (6)(o) and (12))**	8,765,096	73	8,797,373	76
5900	**Gross profit**	3,325,898	27	2,787,536	24
6000	**Operating expenses (notes (6)(e), (6)(o), (7) and (12)):**				
6100	Selling expenses	188,139	2	243,803	2
6200	Administrative expenses	884,950	7	722,057	6
6300	Research and development expenses	511,586	4	402,816	4
6450	Expected credit impairment losses (reversal gains)	(1,638)	-	613	-
		1,583,037	13	1,369,289	12
6900	**Net operating income**	1,742,861	14	1,418,247	12
	Non-operating income and expenses:				
7100	Interest income	235,275	2	221,499	2
7190	Other income (notes (6)(l) and (10))	92,085	1	246,264	2
7230	Foreign exchange gains (losses), net (note (6)(v))	379,527	3	7,311	-
7235	Net gains (losses) on financial assets (liabilities) at fair value through profit or loss	(403,254)	(3)	(54,355)	-
7510	Finance cost－interest expense	(109,375)	(1)	(102,880)	(1)
7590	Miscellaneous disbursements (notes (6)(h) and (6)(t))	(14,686)	-	(341,034)	(3)
		179,572	2	(23,195)	-
7900	**Profit before tax**	1,922,433	16	1,395,052	12
7950	**Less: income tax expenses (note (6)(p))**	203,984	2	244,539	2
	Net profit	1,718,449	14	1,150,513	10
	Other comprehensive income: (note (6)(p))				
	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Remeasurements of defined benefit plans	43,839	-	23,125	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(10,499)	-	(583)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(8,769)	-	(4,625)	-
	Total components of other comprehensive income that will not be reclassified to profit or loss	24,571	-	17,917	-
	Components of other comprehensive income that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	128,051	1	(1,487)	-
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss	(20,918)	-	50	-
	Total components of other comprehensive income that may be reclassified subsequently to profit or loss	107,133	1	(1,437)	-
	Other comprehensive income, net	131,704	1	16,480	-
8500	**Comprehensive income**	**$ 1,850,153**	**15**	**1,166,993**	**10**
8600	**Profit attributable to:**				
8610	Owners of parent	$ 1,713,825	14	1,150,513	10
8620	Non-controlling interests	4,624	-	-	-
		$ 1,718,449	**14**	**1,150,513**	**10**
8700	**Comprehensive income attributable to:**				
8710	Owners of parent	$ 1,845,804	15	1,166,993	10
8720	Non-controlling interests	4,349	-	-	-
		$ 1,850,153	**15**	**1,166,993**	**10**
	Earnings per share (note (6)(r))				
9750	**Basic earnings per share (NTD)**	**$**	**8.20**		**5.50**
9850	**Diluted earnings per share (NTD)**	**$**	**8.16**		**5.48**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES

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 parent											
			Retained earnings				Other equity					
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance on January 1, 2023	$ 1,608,139	15,115,876	1,829,345	169,408	5,820,426	7,819,179	9,386	(28,582)	(19,196)	24,523,998	-	24,523,998
Net profit for the year ended December 31, 2023	-	-	-	-	1,150,513	1,150,513	-	-	-	1,150,513	-	1,150,513
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	18,500	18,500	(1,437)	(583)	(2,020)	16,480	-	16,480
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	1,169,013	1,169,013	(1,437)	(583)	(2,020)	1,166,993	-	1,166,993
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	320,736	-	(320,736)	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(1,249,536)	(1,249,536)	-	-	-	(1,249,536)	-	(1,249,536)
Share dividends of ordinary shares	482,442	-	-	-	(482,442)	(482,442)	-	-	-	-	-	-
Balance on December 31, 2023	2,090,581	15,115,876	2,150,081	169,408	4,936,725	7,256,214	7,949	(29,165)	(21,216)	24,441,455	-	24,441,455
Net profit for the year ended December 31, 2024	-	-	-	-	1,713,825	1,713,825	-	-	-	1,713,825	4,624	1,718,449
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	35,070	35,070	107,408	(10,499)	96,909	131,979	(275)	131,704
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	1,748,895	1,748,895	107,408	(10,499)	96,909	1,845,804	4,349	1,850,153
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	116,901	-	(116,901)	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(501,739)	(501,739)	-	-	-	(501,739)	-	(501,739)
Effect of initial consolidation of subsidiaries	-	-	-	-	-	-	-	-	-	-	41,225	41,225
Others	-	1,765	-	-	-	-	-	-	-	1,765	-	1,765
Balance on December 31, 2024	**$ 2,090,581**	**15,117,641**	**2,266,982**	**169,408**	**6,066,980**	**8,503,370**	**115,357**	**(39,664)**	**75,693**	**25,787,285**	**45,574**	**25,832,859**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from (used in) operating activities:		
Profit before tax	$ 1,922,433	1,395,052
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expenses	1,607,691	1,286,611
Amortization expenses	129,199	130,505
Expected credit impairment (reversal gains) losses	(1,638)	613
Net losses on financial assets and liabilities at fair value through profit or loss	403,254	54,355
Interest expense	109,375	102,880
Interest income	(235,275)	(221,499)
Dividend income	(10,499)	(10,499)
Losses (gains) on disposal of property, plant and equipment	762	(862)
Impairment loss on non-financial assets	-	336,113
Unrealized (gain) loss on foreign exchange	(181,284)	10,108
Others	21,365	(9,315)
Total adjustments to reconcile profit	1,842,950	1,679,010
Changes in operating assets and liabilities:		
Increase in current financial assets and liabilities at fair value through profit or loss	(2,975,394)	(172,334)
Increase in contract assets	(10,531)	(38,342)
(Increase) decrease in accounts receivable	(19,067)	82,718
Decrease in other receivables	2,201	13,094
(Increase) decrease in inventories	(140,163)	201,535
Decrease in prepayments	24,477	13,407
Decrease (increase) in other current assets	8,084	(9,072)
Increase in net defined benefit assets	(7,555)	-
(Decrease) increase in current contract liabilities	(96,765)	128,869
Increase (decrease) in notes and accounts payable	61,869	(75,940)
Increase (decrease) in other payables	69,725	(264,252)
(Decrease) increase in provisions and other current liabilities	(83,460)	41,376
Decrease in net defined benefit liabilities	(2,588)	(13,175)
	(3,169,167)	(92,116)
Cash inflow generated from operations	596,216	2,981,946
Interest received	185,976	161,993
Dividends received	10,499	10,499
Interest paid	(84,098)	(79,206)
Income taxes paid	(136,045)	(644,619)
Net cash flows from operating activities	572,548	2,430,613
Cash flows from (used in) investing activities:		
Acquisition of non-current financial assets at fair value through profit or loss	(102,935)	(88,242)
Proceeds from disposal of non-current financial assets at fair value through profit or loss	105,564	370,743
Acquisition of financial assets at amortized cost	(250,455)	(1,636,124)
Proceeds from disposal of financial assets at amortized cost	-	229,480
Acquisition of property, plant and equipment	(1,297,064)	(2,756,761)
Proceeds from disposal of property, plant and equipment	338	5,330
Decrease in refundable deposits	1,390	9,312
Acquisition of intangible assets	(26,320)	(38,284)
Increase in other financial assets	(3,002)	(129)
Effect of initial consolidation of subsidiaries	448	-
Net cash used in investing activities	(1,572,036)	(3,904,675)
Cash flows from (used in) financing activities:		
Proceeds from long-term borrowings	1,485,000	-
Repayments of long-term borrowings	(1,773,095)	-
Increase in guarantee deposits received	-	156
Payments of lease liabilities	(34,100)	(24,766)
Cash dividends paid	(501,739)	(1,249,536)
Net cash used in financing activities	(823,934)	(1,274,146)
Effect of exchange rate changes on cash and cash equivalents	84,461	(1,694)
Net decrease in cash and cash equivalents	(1,738,961)	(2,749,902)
Cash and cash equivalents at the beginning of period	4,746,867	7,496,769
Cash and cash equivalents at the end of period	$ **3,007,906**	**4,746,867**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

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

(1) Company history

Tong Hsing Electronic Industries, Ltd. (the "Company") was incorporated as a company limited by shares on August 11, 1974, and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company's registered office is No. 88, Ln. 1125, Heping Rd., Bade Dist., Taoyuan City. In accordance with Article 19 of the Business Mergers and Acquisitions Act, the Company merged with its subsidiary, KINGPAK TECHNOLOGY INC. ("KINGPAK"), pursuant to the resolutions of the Board of Directors on March 17, 2022 with the Company as the surviving company, and KINGPAK as the dissolved company. The reference date of the merger is June 30, 2022. The major business activities of the Company and its subsidiaries (the " Group") are the manufacture and sale of RF module, ceramic metalized substrate, hybrid modules & specialty packaging and image products.

(2) Approval date and procedures of the consolidated financial statements

These consolidated financial statements were authorized for issuance by the Board of Directors on February 27, 2025.

(3) New standards, amendments and interpretations adopted

(a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

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

(b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS21 "Lack of Exchangeability"

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(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

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

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

(Continued)

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Standards or Interpretations	Content of amendment	Effective date per IASB
Annual Improvements to IFRS Accounting Standards—Volume 11	The amendments set out: 1. IFRS 1 " First-time Adoption of International Financial Reporting Standards": The amendments address a potential confusion arising from an inconsistency in wording between paragraph B6 of IFRS 1 and requirements for hedge accounting in IFRS 9 Financial Instruments. 2. IFRS 7 " Financial Instruments: Disclosures": The amendments address a potential confusion in IFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when IFRS 13 Fair Value Measurement was issued. 3. IFRS 9 "Financial Instruments": ● Derecognition of a lease liability The IASB' s amendment states that if a lease liability is derecognized, then the derecognition will be accounted for under IFRS 9, (i.e. the difference between the carrying amount and the consideration paid is recognized in profit or loss). However, when a lease liability is modified, the modification will be accounted for under IFRS 16 Leases. ● Transaction price The amendments require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15 Revenue from Contracts with Customers. The amendments remove the conflict between IFRS 9 and IFRS 15 over the amount at which a trade receivable is initially measured.	January 1, 2026

(Continued)

Standards or Interpretations	Content of amendment	Effective date per IASB
	4. IFRS 10 " Consolidated Financial Statements": The amendments clarify the determination of a 'de facto agent'. 5. IAS 7 "Statement of Cash Flows": The amendments address a potential confusion in applying paragraph 37 of IAS 7 that arises from the use of the term 'cost method'.	

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

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

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

(4) Summary of material accounting policies

The material accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

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(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

1) Financial instruments at fair value through profit or loss are measured at fair value;

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

3) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in note (4)(r).

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollars, which is the Company’s functional currency. All financial information presented in New Taiwan Dollars has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) Principle of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income 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.

Accounting policies of subsidiaries have been adjusted to ensure consistency with the policies adopted by the Group.

Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

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(ii) List of subsidiaries in the consolidated financial statements

			Shareholding		
Name of investor	**Name of subsidiary**	**Nature of operation**	**December 31, 2024**	**December 31, 2023**	**Note**
The Company	Tong Hsing Electronics Phils. Inc. (THEPI)	Manufacturing and sales of RF module, ceramic metalized substrate, hybrid modules & specialty packaging and image products	100 %	100 %	-
The Company	Multi-field Holdings Corporation (Multi-field)	Trading and leasing of real estate	- %	- %	Note

Note: The Directors of Muliti-field consist of the management of the Company and subsidiaries. Since the fourth quarter of 2024, the Company has had the authority to control Multi-field's personnel, financial, and business operations. Therefore, it is determined that the Company has substantial control over this subsidiary, and it is included in its consolidated entities.

(d) Foreign currencies

(i) Foreign currency transaction

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Nonmonetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

1) an investment in equity securities designated as at fair value through other comprehensive income;

2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

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When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planed nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(e) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in its normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

(f) Cash and cash equivalents

Cash comprises cash in hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

Accounts receivable and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is an accounts receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. An accounts receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI) - equity investment or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

·it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

·its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(Continued)

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above (e.g., financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized costs, accounts receivable, other receivables, guarantee deposits paid and other financial assets), equity investments measured at FVOCI and contract assets.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

· debt securities that are determined to have low credit risk at the reporting date; and

· other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivable and contract assets are always measured at an amount equal to lifetime ECL.

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When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 90 days past due or the borrower is unlikely to pay its credit obligations to the Group in full.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial assets.

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

· significant financial difficulty of the borrower or issuer;

· a breach of contract such as a default or being more than 90 days past due;

· the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

· it is probable that the borrower will enter bankruptcy or other financial reorganization; or

· the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

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

(Continued)

4) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted-average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Non-current assets (or disposal groups) held for sale

Non-current assets or disposal groups which comprised of assets and liabilities components, that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, generally, the assets or disposal groups are measured at the lower of their carrying amount and fair value, less costs to sell.

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Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis; none of the losses should be allocated to assets not within the scope of IAS 36 – Impairment of Assets. Such assets will continue to be measured in accordance with the Group's accounting policies.

Impairment losses arising from assets initially classified as held for sale, and any subsequent gains or losses arising from remeasurement, are recognized in profit or loss. Reversal gains should not be recognized in the excess of cumulative impairment loss that has been previously recognized.

Once intangible assets and property, plant and equipment are classified as held for sale, the assets are no longer amortized or depreciated. Other than that, once the investment in associates accounted for equity method is classified as held for sale, the investments are no longer equity accounted.

(j) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation, and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant, and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(Continued)

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(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Buildings and structures: 3 ~ 51 years

2) Machinery and equipment: 1 ~11 years

3) Office equipment: 3 ~8 years

4) Leasehold improvements: 2 ~ 25 years

5) Building and equipment constitutes mainly building, air conditioning equipment and elevator engineering equipment and its related facilities. Each part depreciates based on its useful life.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(l) Lease

At inception of a contract, the Group assesses whether a 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.

(i) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method 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. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise an extension or termination option; or
- there is any lease modifications.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents the right-of-use asset that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of equipment and parking space that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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(ii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

(m) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

(Continued)

The estimated useful lives for current and comparative periods are as follows:

1)	Computer software	3~5 years
2)	Patents and others	6~20 years
3)	Customer relationships	13.5 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(n) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset' s recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value, less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(o) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(p) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

(i) Sale of goods

The Group manufactures and sells electronic components to electronic manufacturers. The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The Group often offers trade and volume discounts to its customers. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated discounts. Accumulated experience is used to estimate the discounts, using the expected value method, and revenue is only recognized to the extent that is highly probable that a significant reversal will not occur. A contract liability is recognized for expected discounts payable to customers in relation to sales made until the end of the reporting period.

No element of financing is deemed present as the sales of electronic components are made with a credit term of 30 to 90 days, which is consistent with the market practice.

(ii) Packing and testing services

Some of the image products manufacturing contracts performed by the Group consist of creation and enhancement of the assets controlled by the customers, and hence, the revenue is recognized over time. Contract assets are recognized before satisfying the performance obligation, and transferred to accounts receivable once billed.

(iii) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(q) Government grants

A government grant related to assets is initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; it is then recognized in profit or loss as other income on a systematic basis over the useful life of the asset.

(Continued)

A government grant is recognized in profit or loss in the period in which it becomes receivable as compensation for expenses or losses already incurred, or for the purpose of giving immediate financial support to the Group without future related costs.

(r) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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(s) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

(t) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS 37.

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

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities at the reporting date and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

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

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

The surtax on undistributed earnings is recorded as current income tax expense in the following year after the resolution to appropriate retained earnings is approved in a stockholders’ meeting.

(u) Business combination

The Group accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Group recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed.

All acquisition-related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments.

For each business combination, the Group measures any non-controlling interests in the acquiree either at fair value or at the non-controlling interest’ s proportionate share of the acquiree’ s identifiable net assets, if the non-controlling interests are present ownership interests and entitle their holders to a proportionate share of the acquire’ s net assets in the event of liquidation. Other components of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRS Accounting Standards endorsed by the FSC.

(v) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share are calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. Diluted earnings per share are calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares.

(w) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. Each operating segment consists of standalone financial information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

During the preparation of consolidated financial statements, the management has made judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

There are no critical judgments in applying accounting policies that have significant effect on amounts recognized in the consolidated financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of economic uncertainty is as follows:

(a) Valuation of inventories

Inventories are stated at the lower of cost or net realizable value. Due to the impact of product life cycle and industrial competition in electronic industry, which tends to devalue the inventories, the Group evaluates the costs of inventories using the net realizable value. The net realizable value of the inventory is mainly determined based on assumptions of future demand within a specific period, therefore, the value of inventories may be variable due to the nature of fast-paced industry. Please refer to note (6)(f) of the consolidated financial statement for inventory valuation.

(Continued)

(b) Impairment of goodwill

The assessment of impairment of goodwill requires the Group to make subjective judgments to identify CGUs, allocate the goodwill to relevant CGUs, and estimate the recoverable amount of relevant CGUs. Any changes in these estimates based on changed economic conditions or business strategies could result in significant adjustments in future years. Please refer to note (6)(j) for further description of the impairment of goodwill.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Petty cash and cash in hand	$ 13	163
Checking accounts and demand deposits	1,989,382	1,700,968
Time deposits	1,018,511	3,045,736
	$ 3,007,906	**4,746,867**

Please refer to note (6)(v) for the exchange rate risk, interest rate risk and the sensitivity analysis of the financial assets of the Group.

(b) Financial assets and liabilities at fair value through profit or loss

	December 31, 2024	December 31, 2023
Mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging		
Forward exchange contracts	$ 19	54,780
Foreign exchange swaps contracts	-	896
Non-derivative financial assets		
Open-end mutual funds	238,754	235,419
Structured deposit	2,728,029	100,226
Structured investment	251,179	251,937
Stock listed on domestic markets	227,831	184,649
Foreign private funds	243,946	249,670
	$ 3,689,758	**1,077,577**
Current	$ 3,117,888	391,321
Non-current	571,870	686,256
	$ 3,689,758	**1,077,577**

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	December 31, 2024	December 31, 2023
Held-for-trading financial liabilities:		
Derivative instruments not used for hedging		
Forward exchange contracts	$ 29,454	723
Foreign exchange swaps contracts	-	66
	$ 29,454	**789**

The Group holds derivative financial instruments to hedge certain foreign exchange risk exposures arising from its operating activities. As of December 31, 2024 and 2023, the following derivative instruments, without the application of hedge accounting, were classified as financial assets mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities:

	December 31, 2024			
	Contract amount (in thousands)		Currency	Maturity dates
Derivative financial assets				
Forward exchange contracts:				
Forward exchange sold	USD	10,000	USD to NTD	2025.01.24
Derivative financial liabilities				
Forward exchange contracts:				
Forward exchange sold	USD	155,000	USD to NTD	2025.01.09~2025.02.05

	December 31, 2023			
	Contract amount (in thousands)		Currency	Maturity dates
Derivative financial assets				
Forward exchange contracts:				
Forward exchange purchased	USD	10,000	USD to NTD	2024.02.05
Forward exchange sold	USD	82,500	USD to NTD	2024.01.03~2024.01.12
Foreign exchange swaps contracts:				
Foreign exchange swaps	USD	2,000	USD to NTD	2024.01.03
Derivative financial liabilities				
Forward exchange contracts:				
Forward exchange purchased	USD	5,000	USD to NTD	2024.02.02
Foreign exchange swaps contracts:				
Foreign exchange swaps	USD	7,000	USD to NTD	2024.01.12

Please refer to note (6)(v) for information relating to the credit risk of financial instruments. As of December 31, 2024 and 2023, the Group did not provide any aforementioned financial assets as collaterals for its loans.

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

		December 31, 2024	December 31, 2023
Equity investments at fair value through other comprehensive income:			
Stock listed on domestic market - preferred stocks	$	310,316	320,815

(i) The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for the long term for strategic purposes.

(ii) There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments for the years ended December 31, 2024 and 2023.

(iii) For credit risk and market risk, please refer to note (6)(v).

(iv) As of December 31, 2024 and 2023, the Group did not provide any aforementioned financial assets as collaterals for its loans.

(d) Financial assets at amortized cost

		December 31, 2024	December 31, 2023
Foreign corporate bonds	$	3,343,535	2,843,331
Current	$	876,427	-
Non-current		2,467,108	2,843,331
	$	3,343,535	2,843,331

The Group has assessed that these financial assets are held-to-maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

(i) The Group purchased the bond with a face value of USD 7,956 thousand and USD 53,505 thousand for the years ended December 31, 2024 and 2023, with the coupon rates of 5.21% and 1.538%~4.948%, respectively. The above-mentioned foreign corporate bonds as of December 31, 2024, will mature between April 2025 and August 2028.

(ii) Please refer to note (6)(v) for credit risk information.

(iii) As of December 31, 2024 and 2023, the Group did not provide any aforementioned financial assets as collaterals for its loans.

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(e) Accounts receivable

	December 31, 2024	December 31, 2023
Accounts receivable–measured as amortized cost	$ 2,095,970	2,077,758
Less: loss allowance	(691)	(3,181)
	$ 2,095,279	2,074,577

The Group applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics of the customer's ability to pay all due amounts in accordance with contract terms, as well as incorporated forward looking information, including historical credit losses experience and reasonable forecasts of future economic conditions information.

(i) The loss allowance was determined as follows:

	December 31, 2024		
Aging interval	**Carrying amount of accounts receivable**	**Weighted-average expected loss rate**	**Loss allowance**
Current	$ 2,036,287	-	-
Overdue 1 to 30 days	54,838	-	-
Overdue 31 to 60 days	4,616	10.00%	462
Overdue 181 to 365 days	229	100.00%	229
	$ 2,095,970		691

	December 31, 2023		
Aging interval	**Carrying amount of accounts receivable**	**Weighted-average expected loss rate**	**Loss allowance**
Current	$ 2,029,146	-	-
Overdue 1 to 30 days	38,697	-	-
Overdue 31 to 60 days	5,949	10.00%	595
Overdue 61 to 90 days	651	20.00%	130
Overdue 91 to 120 days	1,228	50.00%	614
Overdue 121 to 180 days	1,228	80.00%	983
Overdue 181 to 365 days	859	100.00%	859
	$ 2,077,758		3,181

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The movements in the loss allowance for accounts receivable were as follows:

	2024	2023
The beginning of period	$ 3,181	3,214
Impairment losses reversed	(1,635)	(33)
Amounts written off	(855)	-
The ending of period	**$ 691**	**3,181**

As of December 31, 2024 and 2023, the Group did not provide any accounts receivable as collaterals for its loans.

(f) Inventories

	December 31, 2024	December 31, 2023
Finished goods	$ 532,611	419,577
Semi-finished goods	68,771	92,271
Work in progress	239,185	272,678
Raw materials	775,125	700,963
Indirect materials	117,170	107,210
	$ 1,732,862	**1,592,699**

(i) The details of the operating cost for the years ended December 31, 2024 and 2023 of the Group were as follows:

	2024	2023
Cost of sales and expense	$ 8,723,442	8,680,252
Current operating cost recognized for inventories written off or provisions of inventories written down due to devaluation and obsolescence	41,654	117,121
	$ 8,765,096	**8,797,373**

(ii) As of December 31, 2024 and 2023, the Group did not provide any inventories as collaterals for its loans.

(g) Non-current assets held for sale

In November 2024, the Group signed a real estate sale and purchase contract for its idle plant and has started to process the sale related matters. Accordingly, the assets were recognized as non-current assets held for sale. As of December 31, 2024, the details of the non-current assets held for sale were as follows:

	December 31, 2024
Land	$ 8,401
Buildings and structures	31,057
Non-current assets held for sale	**$ 39,458**

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No impairment loss was recognized after measuring the lower of carrying amount and fair value, less costs to sell.

(h) Property, plant and equipment

The cost, depreciation and impairment loss of the property, plant and equipment of the Group were as follows:

	Land	Buildings and structures	Machinery and equipment	Office equipment	Leasehold improvements	Construction in progress and equipment under acceptance	Total
Cost or deemed cost:							
Balance on January 1, 2024	$ 2,455,982	5,738,416	6,234,403	625,193	27,347	2,952,730	18,034,071
Additions	-	444,349	547,051	55,158	75	42,924	1,089,557
Disposals	-	(78,919)	(609,830)	(114,179)	-	-	(802,928)
Transferred in (out)	-	2,514,646	137,603	70,122	-	(2,754,576)	(32,205)
Reclassified as non-current assets held for sale	(8,401)	(42,386)	-	-	-	-	(50,787)
Effects of movements in exchange rates	-	32,503	120,434	18,145	139	7,297	178,518
Balance on December 31, 2024	$ **2,447,581**	**8,608,609**	**6,429,661**	**654,439**	**27,561**	**248,375**	**18,416,226**
Balance on January 1, 2023	$ 2,484,630	3,103,832	5,499,624	412,381	27,222	4,569,041	16,096,730
Additions	-	601,921	945,869	173,832	125	1,021,489	2,743,236
Disposals	-	(70,307)	(669,556)	(39,402)	-	(506)	(779,771)
Transferred in (out)	(28,648)	2,103,078	454,908	78,550	-	(2,638,739)	(30,851)
Effects of movements in exchange rates	-	(108)	3,558	(168)	-	1,445	4,727
Balance on December 31, 2023	$ **2,455,982**	**5,738,416**	**6,234,403**	**625,193**	**27,347**	**2,952,730**	**18,034,071**
Depreciation and impairment loss:							
Balance on January 1, 2024	$ -	1,281,604	4,534,045	328,220	13,717	-	6,157,586
Depreciation	-	443,579	1,010,283	115,341	9,031	-	1,578,234
Disposals	-	(78,919)	(608,730)	(114,179)	-	-	(801,828)
Reclassified as non-current assets held for sale	-	(11,329)	-	-	-	-	(11,329)
Effects of movements in exchange rates	-	17,086	101,448	16,480	79	-	135,093
Balance on December 31, 2024	$ **-**	**1,652,021**	**5,037,046**	**345,862**	**22,827**	**-**	**7,057,756**
Balance on January 1, 2023	$ -	1,086,512	3,983,936	307,963	4,726	-	5,383,137
Depreciation	-	206,370	985,901	59,844	8,993	-	1,261,108
Impairment loss	-	58,842	225,335	-	-	-	284,177
Disposals	-	(70,307)	(665,594)	(39,402)	-	-	(775,303)
Transferred in (out)	-	544	(544)	-	-	-	-
Effects of movements in exchange rates	-	(357)	5,011	(185)	(2)	-	4,467
Balance on December 31, 2023	$ **-**	**1,281,604**	**4,534,045**	**328,220**	**13,717**	**-**	**6,157,586**
Carrying amount:							
Balance on December 31, 2024	$ **2,447,581**	**6,956,588**	**1,392,615**	**308,577**	**4,734**	**248,375**	**11,358,470**
Balance on January 1, 2023	$ **2,484,630**	**2,017,320**	**1,515,688**	**104,418**	**22,496**	**4,569,041**	**10,713,593**
Balance on December 31, 2023	$ **2,455,982**	**4,456,812**	**1,700,358**	**296,973**	**13,630**	**2,952,730**	**11,876,485**

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The Group contracted with Chung-Lin General Contractors, Ltd. for the construction of the plant in Bade District, Taoyuan City in August, 2020. The total amount of contract is $3,200,000. As of December 31, 2024 and 2023, the amount of $3,200,000 and ,$3,024,000 had been paid, respectively.

For the year ended December 31, 2023, due to indication of impairment in some product line, the Group tested the impairment of CGUs, and the recoverable amount is based on its value in use to assess the impairment. The value in use is determined by the estimated cash flow of the Group's financial forecast for the next five years and is calculated at the discount rate before tax of 13.53% and 12.78% on June 30, 2023, and December 31, 2023 to reflect the specific industry risk of the relevant CGUs, respectively. The Group tested the impairment of CGUs and estimated recoverable amount was lower than their carrying amount. Accordingly, buildings and structures impairment losses of $58,842, equipment impairment losses of $225,335 and goodwill impairment losses of $51,936 were recognized and accounted for under miscellaneous disbursements, respectively.

For operational needs, THEPI acquired land for $57,713 (PHP 91,110 thousand) from the non-related party in Philippines beginning in 2004, which was recorded as property, plant and equipment. Because the Philippine regulations prohibit foreigners from owning land, therefore, the Group paid for the land, under the title deed of Multi-field to assure the right to the land. THEPI also entered into an agreement with Multi-field to reserve its right to sell or dispose the property.

As of December 31, 2024 and 2023, the Group had provided property, plant and equipment as collateral for its loans. Please refer to note (8) for details.

(i) Right-of -use assets

	Land	Buildings and structures	Office equipment	Machinery and equipment	Total
Cost:					
Balance on January 1, 2024	$ 79,996	65,661	29,874	-	175,531
Additions	10,933	34,335	5,324	2,612	53,204
Deductions	-	-	(10,872)	-	(10,872)
Effect of movements in exchange rates	-	728	-	-	728
Balance on December 31, 2024	**$ 90,929**	**100,724**	**24,326**	**2,612**	**218,591**
Balance on January 1, 2023	$ 89,922	47,010	18,445	-	155,377
Additions	-	40,407	16,040	-	56,447
Deductions	(9,926)	(21,756)	(4,611)	-	(36,293)
Balance on December 31, 2023	**$ 79,996**	**65,661**	**29,874**	**-**	**175,531**
Accumulated depreciation and impairment loss:					
Balance on January 1, 2024	$ 4,081	15,757	9,528	-	29,366
Depreciation	2,716	19,771	6,926	44	29,457
Deductions	-	-	(5,680)	-	(5,680)
Effect of movements in exchange rates	-	21	-	-	21
Balance on December 31, 2024	**$ 6,797**	**35,549**	**10,774**	**44**	**53,164**

(Continued)

TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Land	Buildings and structures	Office equipment	Machinery and equipment	Total
Balance on January 1, 2023	$ 9,353	21,718	9,085	-	40,156
Depreciation	4,654	15,795	5,054	-	25,503
Deductions	(9,926)	(21,756)	(4,611)	-	(36,293)
Balance on December 31, 2023	**$ 4,081**	**15,757**	**9,528**	**-**	**29,366**
Carrying amount:					
Balance on December 31, 2024	**$ 84,132**	**65,175**	**13,552**	**2,568**	**165,427**
Balance on January 1, 2023	**$ 80,569**	**25,292**	**9,360**	**-**	**115,221**
Balance on December 31, 2023	**$ 75,915**	**49,904**	**20,346**	**-**	**146,165**

(j) Intangible assets

(i) The cost, amortization and impairment loss of the intangible assets of the Group were as follows:

	Goodwill	Patents and others	Cost of computer software	Customer relationship	Total
Cost:					
Balance on January 1, 2024	$ 7,448,612	922,729	91,563	363,700	8,826,604
Additions	-	-	14,117	-	14,117
Transferred in	-	-	25,903	-	25,903
Disposals	-	(231)	(8,133)	-	(8,364)
Effect of movements in exchange rates	-	-	15	-	15
Balance on December 31, 2024	**$ 7,448,612**	**922,498**	**123,465**	**363,700**	**8,858,275**
Balance on January 1, 2023	$ 7,448,612	927,444	90,559	363,700	8,830,315
Additions	-	-	12,381	-	12,381
Disposals	-	(4,715)	(11,377)	-	(16,092)
Balance on December 31, 2023	**$ 7,448,612**	**922,729**	**91,563**	**363,700**	**8,826,604**
Amortization and impairment loss:					
Balance on January 1, 2024	$ 51,936	362,609	39,864	96,538	550,947
Amortization for the year	-	75,502	26,756	26,941	129,199
Disposals	-	(231)	(8,133)	-	(8,364)
Effect of movements in exchange rates	-	-	2	-	2
Balance on December 31, 2024	**$ 51,936**	**437,880**	**58,489**	**123,479**	**671,784**
Balance on January 1, 2023	$ -	287,499	28,849	68,250	384,598
Amortization for the year	-	79,825	22,392	28,288	130,505
Disposals	-	(4,715)	(11,377)	-	(16,092)
Impairment loss	51,936	-	-	-	51,936
Balance on December 31, 2023	**$ 51,936**	**362,609**	**39,864**	**96,538**	**550,947**
Carrying amount:					
Balance on December 31, 2024	**$ 7,396,676**	**484,618**	**64,976**	**240,221**	**8,186,491**
Balance on January 1, 2023	**$ 7,448,612**	**639,945**	**61,710**	**295,450**	**8,445,717**
Balance on December 31, 2023	**$ 7,396,676**	**560,120**	**51,699**	**267,162**	**8,275,657**

(Continued)

(ii) Amortization recognized

For the years ended December 31, 2024 and 2023, the amortization of intangible assets recognized in the consolidated statements of comprehensive income were as follows:

	2024	2023
Operating costs	$ 10,747	7,666
Operating expenses	$ 118,452	122,839

(iii) Test of goodwill impairment

The Group obtained control over Impac Technology Co., Ltd. and KINGPAK in previous year. The cost of investment exceeds the fair value of identifiable net assets is recognized as goodwill. The goodwill recognized for the aforesaid transaction were $51,936 and $7,396,676, respectively. According to IAS 36, goodwill acquired in a business combination is tested for impairment at least annually. For the purposes of impairment testing, goodwill is allocated to each of the acquirer' s CGUs, that are expected to benefit from the synergies of the combination. Therefore, goodwill is tested for impairment by comparing the recoverable amount of BU3 and BU4 with its carrying amount to determine whether an impairment loss should be recognized.

As of December 31, 2023, the recoverable amount of the CGU BU3 is determined based on the value in use, which was calculated based on the cash flow forecast from the financial budgets covering the future period, and the Group used the annual discount rates of 13.53%, in its impairment test on June 30, 2023. The discount rate was estimated based on the weighted average cost of capital. Based on the result of impairment test, the Group has estimated the recoverable amount of the CGU BU3 to be lower than their carrying amount due to indication of impairment in some of its product line, resulting in an impairment loss of $51,936, the impairment loss was fully allocated to goodwill and recognized as miscellaneous disbursements in statements of comprehensive income. Please refer to note (6)(h) for other related information.

As of December 31, 2024 and 2023, the recoverable amount of the CGU BU4 is determined based on the value in use, which was calculated based on the cash flow forecast from the financial budgets covering the future period, and the Group used the annual discount rates of 12.82% and 11.59%, respectively, in its impairment test. The discount rate was estimated based on the weighted average cost of capital. Based on the result of impairment test, the recoverable amounts of the CGU BU4 determined by the value in use were both higher than the carrying amounts of goodwill as of December 31, 2024 and 2023 and no impairment losses were recognized.

(iv) Collateral

As of December 31, 2024 and 2023, the Group did not provide intangible assets as collaterals for its loans.

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(k) Short-term borrowings

Details of short-term borrowings were as follows:

	December 31, 2024	December 31, 2023
Comprehensive secured bank loans	$ -	-
Unused short-term credit lines	$ 5,993,270	7,830,290

Please refer to note (8) for the information about the Group had provided assets as collateral for part of its borrowings and credit lines.

(l) Long-term borrowings

Details of long-term borrowings were as follows:

	December 31, 2024	December 31, 2023
Unsecured bank loans	$ 4,801,905	5,360,000
Secured bank loans	270,000	-
Less: discounts on government grants	(49,453)	(132,183)
Less: current portion	(1,590,855)	-
	$ 3,431,597	5,227,817
Unused long-term credit lines	$ 7,029,250	3,700,000
Range of interest rates	1.475%~1.82%	1.35%~1.55%
Expiration	Year 2026 to 2031	Year 2026 to 2031

(i) For the years ended December 31, 2022 and 2021, the preferential interest rate loans of $5,297,000 and $63,000, respectively, received by the Group from the government's "Action Plan for Accelerating Investment of Rooted Taiwanese Enterprises", were used in capital expenditure and operating turnover. Using the prevailing market interest rates at the equivalent loan rates of 1.35%~1.85% and 0.75%, the fair values of the loans were estimated at $5,138,164 and $62,465, respectively, upon initial recognition. Moreover, the differences of $158,836 and $535, respectively, between the proceeds and the fair value of the loan, with the benefit deriving from the preferential interest rate loans, had been recognized as deferred revenue recorded under other non-current liabilities. For the years ended December 31, 2024 and 2023, the grant profits of $12,488 and $11,517, respectively, which were amortized over the period of loans, were recognized as other income.

(ii) Please refer to note (8) for the information about the Group had provided assets as collateral for part of its long-term borrowings.

(m) Other payables

Details of other payables were as follows:

	December 31, 2024	December 31, 2023
Salaries and bonus payable, employees' compensation and directors' remuneration	$ 1,222,627	1,234,996
Payable on repairments	78,047	74,514
Payable on machinery and equipment	85,959	293,466
Accrued employee benefit liabilities	78,291	76,210
Payable on consumables	72,143	59,631
Others	329,209	266,370
	$ 1,866,276	2,005,187

The others included professional service fees, commission, repairments and maintenance expense, utilities expense, labor insurance and health insurance, etc.

(n) Lease liabilities

Details of the Group's lease liabilities were as follows:

	December 31, 2024	December 31, 2023
Current	$ 26,399	26,614
Non-current	$ 136,174	121,537

For the maturity analysis, please refer to note (6)(v) financial instruments.

The amounts recognized in profit or loss were as follows:

	2024	2023
Interest on lease liabilities	$ 3,083	2,103
Variable lease payments not included in the measurement of lease liabilities	$ 708	4,377
Expenses relating to short-term leases	$ 17,862	8,978
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$ 324	283

The amounts recognized in the statements of cash flows were as follows:

	2024	2023
Total cash outflow for leases	$ 56,077	40,507

(i) Real estate leases

The Group leases land, buildings and structures for its factory, staff dormitories, parking lots and office space. The leases typically run for a period of one to twenty years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(ii) Other leases

The Group leases office and machinery equipment with lease terms of one to five years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some lease payments are based on actual usage in the period.

The Group also leases copying machines and other office equipment and parking space with lease terms of one to five years. These leases are short-term leases or leases of low-value assets. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(o) Employee benefits

(i) Defined benefit plans

1) Reconciliation of defined benefit obligation at present value and plan assets at fair value of the Company were as follows:

	December 31, 2024	**December 31, 2023**
Present value of defined benefit obligations	$ (195,972)	(217,910)
Fair value of plan assets	203,527	184,995
Net defined benefit assets (liabilities)	**$ 7,555**	**(32,915)**

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for its employees upon retirement. The plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

2) Reconciliation of defined benefit obligations at present value and plan assets at fair value of THEPI were as follows:

	December 31, 2024	**December 31, 2023**
Present value of defined benefit obligations	$ (66,167)	(69,349)
Fair value of plan assets	44,435	34,105
Net defined benefit liabilities	**$ (21,732)**	**(35,244)**

(Continued)

THEPI makes defined benefit plan contributions to the pension fund account at local bank in Philippines. The plans entitle a retired employee to receive retirement benefits based on years of service and salary prior to retirement.

3) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company's Bank of Taiwan labor pension and appointed manager retirement fund reserve account balance amounted to $203,527 at the end of the reporting period. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of labor.

The defined benefit obligations assets of THEPI is composed of cash, and is managed by local bank in Philippines. The defined benefit obligations assets balance amounted to $44,435 at the end of the reporting period.

4) Movements in present value of the defined benefit obligations

The movements in present value of the defined benefit obligations for the Group were as follows:

	2024	2023
Defined benefit obligation on January 1	$ (287,259)	(340,308)
Current service costs and interest costs	(13,325)	(13,300)
Benefits paid	12,487	45,203
Remeasurements gain (loss)		
-Return on plan assets (excluding current interest income)	10,749	31,064
-Actuarial gain (loss) arising from changes in financial assumptions	16,840	(9,712)
Effect of movements in exchange rates	(1,631)	(206)
Defined benefit obligation on December 31	**$ (262,139)**	**(287,259)**

5) Movements in fair value of plan assets

The movements in the fair value of the defined benefit plan assets for the Group were as follows:

	2024	2023
Fair value of plan assets on January 1	$ 219,100	235,849
Interest income	4,569	4,422
Benefits paid	(12,487)	(45,203)
Remeasurements gain (loss)		
-Return on plan assets (excluding current interest income)	16,250	1,773
Contributions paid by the employer	19,726	22,227
Effect of movements in exchange rates	804	32
Fair value of plan assets on December 31	**$ 247,962**	**219,100**

6) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Group were as follows:

	2024	2023
Current service costs	$ 6,153	5,597
Net interest of net liabilities for defined benefit obligations	2,603	3,281
	$ 8,756	**8,878**
Operating costs	$ 7,513	6,729
Selling expenses	54	46
Administrative expenses	988	1,986
Research and development expenses	201	117
	$ 8,756	**8,878**

7) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	December 31, 2024		December 31, 2023	
	The Company	THEPI	The Company	THEPI
Discount rate	1.60 %	6.10 %	1.25 %	6.30 %
Future salary increasing rate	3.50 %	4.00 %	3.50 %	6.00 %

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date is $17,699.

(Continued)

The weighted-average lifetime of the defined benefit plan is 7.5 to 13 years.

8) Sensitivity analysis

As of December 31, 2024 and 2023, if the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

A. The Company:

	Impact on the defined benefit obligations	
Actuarial assumption	**Increased**	**Decreased**
December 31, 2024		
Discount rate (Increased or decreased 0.25%)	$ (2,261)	2,328
Future salary increasing rate (Increased or decreased 1.00%)	9,456	(8,596)
December 31, 2023		
Discount rate (Increased or decreased 0.25%)	(3,129)	3,233
Future salary increasing rate (Increased or decreased 1.00%)	13,150	(11,800)

B. THEPI:

	Impact on the defined benefit obligations	
Actuarial assumption	**Increased 1.00%**	**Decreased 1.00%**
December 31, 2024		
Discount rate	$ (7,608)	9,092
Future salary increasing rate	8,754	(7,468)
December 31, 2023		
Discount rate	(8,791)	10,614
Future salary increasing rate	10,079	(8,536)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2024 and 2023.

(ii) Defined contribution plan

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

(Continued)

The Group's expenses for the pension plan contributions to the Bureau of Labor Insurance amounted to $78,352 and $80,958 for the years ended December 31, 2024 and 2023, respectively.

(p) Income taxes

(i) Income tax expenses

1) The components of income tax expense in the years 2024 and 2023 were as follows:

		2024	2023
Current tax expense			
Current period	$	239,571	358,812
Adjustment for prior periods		(64,092)	(63,617)
		175,479	295,195
Deferred tax expense			
Origination and reversal of temporary differences		28,505	(50,656)
Income tax expense	**$**	**203,984**	**244,539**

2) The amount of income tax expense (income) recognized in other comprehensive income for 2024 and 2023 were as follows:

		2024	2023
Items that will not be reclassified to profit or loss:			
Remeasurement of the defined benefit plans	$	8,769	4,625
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign financial statements		20,918	(50)
	$	**29,687**	**4,575**

3) Reconciliation of income tax and profit before tax for 2024 and 2023 were as follows:

		2024	2023
Profit before tax	$	1,922,433	1,395,052
Income tax using the Company's and respective subsidiaries' domestic tax rate		395,524	271,017
Estimated tax effect of tax exemption on investment income, net		(9,303)	8,778
Over provision in prior periods		(64,092)	(63,617)
Tax incentives		(44,024)	-
Amortization expense of goodwill		(59,173)	(49,311)
Additional tax on undistributed earnings		2,310	63,558
Others		(17,258)	14,114
	$	**203,984**	**244,539**

(Continued)

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(ii) Deferred tax assets and liabilities

The Group has no unrecognized deferred tax assets and liabilities. Changes in the amount of recognized deferred tax assets and liabilities for 2024 and 2023 were as follows:

	Provision for the land value increment tax	Investments income recognized under the equity method	Unrealized foreign exchange gain	Others	Total
Deferred tax liabilities:					
Balance on January 1, 2024	$ 80,950	60,810	3,344	23,599	168,703
Recognized in profit or loss	-	(14,428)	62,624	(9,002)	39,194
Recognized in other comprehensive income	-	-	-	18,811	18,811
Balance on December 31, 2024	**$ 80,950**	**46,382**	**65,968**	**33,408**	**226,708**
Balance on January 1, 2023	$ 80,950	53,071	1,344	25,353	160,718
Recognized in profit or loss	-	7,739	2,000	(1,754)	7,985
Balance on December 31, 2023	**$ 80,950**	**60,810**	**3,344**	**23,599**	**168,703**

	Exchange differences on translation of foreign financial statements	Defined benefit plans	Adjustment of depreciation of fixed assets for tax purposes	Others	Total
Deferred tax assets:					
Balance on January 1, 2024	$ 2,107	11,239	204,238	81,423	299,007
Recognized in profit or loss	-	(2,072)	(4,625)	17,386	10,689
Recognized in other comprehensive income	(2,107)	(8,769)	-	-	(10,876)
Balance on December 31, 2024	**$ -**	**398**	**199,613**	**98,809**	**298,820**
Balance on January 1, 2023	$ 2,057	17,572	148,624	76,688	244,941
Recognized in profit or loss	-	(1,708)	55,614	4,735	58,641
Recognized in other comprehensive income	50	(4,625)	-	-	(4,575)
Balance on December 31, 2023	**$ 2,107**	**11,239**	**204,238**	**81,423**	**299,007**

(iii) The Group entities' income tax returns are calculated and filed separately according to the local tax law and combined filing is not acceptable.

(iv) Income tax assessment

The Company's and KINGPAK's income tax returns have been examined and approved by the R.O.C's tax authorities until year 2021 and year 2022, respectively.

(Continued)

TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
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(q) Capital and other equity

(i) Ordinary shares

As of December 31, 2024 and 2023, the authorized ordinary shares was amounted to $4,000,000 of which $200,000 were reserved for the issuance of employee stock options, with par value of $10 per share, totalling 400,000 thousand shares. As of reporting date, 209,058 thousand of ordinary shares were issued. All issued shares were paid up upon issuance.

The Company increased its capital by issuing 48,244 thousand ordinary shares, at the amount of $482,442, recognized as dividends to be distributed, based on a resolution approved during the shareholders' meeting held on June 6, 2023. The plan of transferring unappropriated earnings to capital increase through issuance of new ordinary shares has been approved by the supervisory authority on June 28, 2023, with the base date set on August 15, 2023. The registration procedures have been completed on August 18, 2023.

(ii) Capital surplus

The balances of capital surplus were as follows:

	December 31, 2024	December 31, 2023
Additional paid-in capital	$ 15,059,657	15,059,657
Others	57,984	56,219
	$ 15,117,641	**15,115,876**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring paid-in capital in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) Retained earnings

In accordance with the Company's Articles of Incorporation amended on June 6, 2023, when allocating the earnings for each fiscal year, the Company must pay tax and make up for the accumulated losses first, also share the remaining profit as follows:

I. Set aside 10% of the earnings as legal reserve. However, when the legal reserve amount equals to the paid-in capital of the Company, it is not subject or such restriction.

II. Set aside or reverse special reserve in accordance with the relevant laws and regulations.

III. Pay dividends or bonuses for an amount not less than 30% of the amount net of the legal reserve and special reserve as stipulated in the preceding paragraph and the cash dividends shall account for at least 50% of the current year's total dividends. The Board of Director shall prepare the earnings distribution proposal for the resolutions of the shareholders' meeting. However, if the earnings distribution proposal is for the distribution of dividend and bonus in cash entirely or partially, it shall be resolved by the Board of Directors with the attendance of more than two-thirds of the directors and the consent of the majority of attending directors; also, it shall be reported in the shareholders' meeting.

The Company' s dividend policy is based on the current and future development plans, consideration of the investment environment, capital requirements, domestic and international competition, and the interests of shareholders, etc. The Board of Directors shall prepare a resolution to be approved by the shareholders in a meeting.

If the Company has no loss, the Board of Directors, with two-thirds of the directors present and a majority of the directors present, shall issue all or a portion of the legal reserve and the capital surplus as provided in Paragraph 1, Article 241 of the Company Act to the shareholders in cash in proportion to their original shares and report the same to the shareholders' meeting.

The Company's earnings distribution or loss off-setting proposal may be proposed at the close of each half-year.

When the Company allocates its earnings for the first half of the financial year in accordance with the preceding paragraph, it shall first estimate and retain the amounts of taxable contributions, make up its deficits, employee remuneration, and provision for surplus reserve. However, the appropriation for legal reserve is discontinued when the balance of the legal reserve equals the total authorized capital.

In accordance with the Company's Articles of Incorporation before revised on June 6, 2023, the Company's net earnings shall first be used to pay income taxes and offset the prior years' deficit. Of the remaining balance, 10% is to be appropriated as legal reserve. The appropriation for legal reserve is discontinued when the balance of the legal reserve equals the total authorized capital, and an amount equal to a net debit balance of stockholders' equity is appropriated as a special reserve. The remaining balance and the accumulated unappropriated earnings of prior years, if any, may be appropriated according to the proposal presented in the annual stockholders' meeting by the Board of Directors, and be distributed as dividends to stockholders after the approval of the annual stockholders' meeting. Based on the policy on stock dividends and in accordance with such factors as the development plan, investment environment, capital requirements, competitive environment, and benefits to stockholders, the dividends to be distributed to shareholders shall appropriate 60% or more of the appropriated earnings, and the cash dividends shall not be less than 30% of the total amount of dividends. After considering the actual profit and capital situation, the amount of dividends is determined by the Board of Directors and approved by the shareholders at their annual meeting.

If the Company has no loss, the Board of Directors, with two-thirds of the directors present and a majority of the directors present, shall issue all or a portion of the legal reserve and the capital surplus as provided in Paragraph 1, Article 241 of the Company Act to the shareholders in cash in proportion to their original shares and report the same to the shareholders' meeting.

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The Company's earnings distribution or loss off-setting proposal may be proposed at the close of each half-year.

When the Company allocates its earnings for the first half of the financial year in accordance with the preceding paragraph, it shall first estimate and retain the amounts of taxable contributions, make up its deficits, employee remuneration, and provision for surplus reserve. However, the appropriation for legal reserve is discontinued when the balance of the legal reserve equals the total authorized capital.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

In accordance with the Company' s Articles of Incorporation, legal reserve shall be distributed in cash pursuant to a resolution by the Board of Directors, please refer to aforementioned paragraph for the Company's Articles of Incorporation.

2) Special reserve

By choosing to apply exemptions granted under IFRS 1 "First-time Adoption of International Financial Reporting Standards", the Company shall reclassify its unrealized revaluation gains amounting to $161,156 as retained earnings. According to the Rule No. 1010012865 issued by FSC on April 6, 2012, the company is able to reclassify its net increasing retained earnings as special earnings reserve which resulted from the first-time adoption of the IFRS after the adoption date. When the relevant asset was used, disposed of, reclassified, this special earnings reserve shall be reversed as distributable earnings proportionately. As of December 31, 2024 and 2023, the carrying amount of special earnings reserve both amounted to $33,700 .

In accordance with the requirements issued by the FSC, a portion of earnings shall be allocated as special reserve during earnings distribution. If the Company has already reclassified a portion of earnings to special reserve under the preceding subparagraph, it shall make supplemental allocation of special reserve for any difference between the amount it has already allocated and the amount of the current-period total net reduction of other shareholders' equity. An equivalent amount of special reserve shall be allocated from the after-tax net profit in the period, plus items other than after-tax net profit in the period, that are included in the undistributed current-period earnings and the undistributed prior-period earnings. A portion of undistributed prior-period earnings shall be reclassified to special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to the net reduction of other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

(Continued)

3) Earnings distribution

The amounts of cash dividends for the 2023 earnings distribution had been approved at the board meeting held on February 29, 2024; while the 2022 earnings distribution had been approved during the shareholders' meeting on June 6, 2023. The relevant dividends distributed to shareholders were as follows:

	2023		2022	
	Amount per share (NTD)	**Total amount**	**Amount per share (NTD)**	**Total amount**
Dividends distributed to ordinary shareholders				
Cash	$ 2.40	501,739	7.77007957	1,249,536
Shares	-	-	3.00	482,442
Total	**$ 2.40**	**501,739**	**10.77007957**	**1,731,978**

The amount of cash dividends on the 2024 earnings distribution had been approved during the board meeting held on February 27, 2025, as follows:

	2024	
	Amount per share (NTD)	**Total amount**
Cash dividends distributed to ordinary shareholders	$ 3.00	**627,174**

The related information about earnings distribution approved by the related meeting can be accessed from the Market Observation Post System website.

(r) Earnings per share

(i) Basic earnings per share

The details on the calculation of basic earnings per share for 2024 and 2023 were based on the profit attributable to ordinary shareholders of the Company and the weighted-average number of ordinary shares outstanding, as follows:

1) Profit attributable to ordinary shareholders of the Company

	2024	2023
Profit attributable to ordinary shareholders of the Company	**$ 1,713,825**	**1,150,513**

2) Weighted-average number of ordinary shares outstanding (thousands)

	2024	2023
Weighted-average number of ordinary shares outstanding	**209,058**	**209,058**

	2024	2023
3) Basic earnings per share (NTD)	**$ 8.20**	**5.50**

(Continued)

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(ii) Diluted earnings per share

The details on the calculation of diluted earnings per share for 2024 and 2023 were based on profit attributable to ordinary shareholders of the Company and the weighted-average number of ordinary shares outstanding after adjusting the effects of all dilutive potential ordinary shares, as follows:

1) Profit attributable to ordinary shareholders of the Company (diluted)

	2024	2023
Profit attributable to ordinary shareholders of the Company (diluted)	$ **1,713,825**	**1,150,513**

2) Weighted-average number of ordinary shares outstanding (diluted) (thousands)

	2024	2023
Weighted-average number of ordinary shares outstanding (basic) (thousands)	209,058	209,058
Effect of employee share remuneration (thousands)	912	825
Weighted-average number of ordinary shares outstanding on December 31 (diluted)	**209,970**	**209,883**

	2024	2023
3) Diluted earnings per share (NTD)	$ **8.16**	**5.48**

The above-mentioned weighted average number of outstanding shares is adjusted retroactively according to the capitalization of earnings.

(s) Revenue from contracts with customers

(i) Disaggregation of revenue

	2024	2023
Primary geographical markets:		
Malaysia	$ 2,709,294	2,180,102
Switzerland	2,642,895	3,126,425
Japan	2,083,737	1,779,113
United States	1,495,311	1,353,069
Singapore	1,137,152	1,166,969
China	745,041	711,838
Others	1,277,564	1,267,393
	$ 12,090,994	**11,584,909**
Major products:		
Image products	$ 5,748,736	6,070,802
Hybrid modules & specialty packaging	2,950,801	2,675,402
Ceramic metalized substrate	2,202,995	1,994,307
RF module	1,045,577	732,625
Others	142,885	111,773
	$ 12,090,994	**11,584,909**

(Continued)

(ii) Contract balances

	December 31, 2024	December 31, 2023	January 1, 2023
Accounts receivable	$ 2,095,970	2,077,758	2,160,476
Contract assets–image products (recorded under other current assets)	126,609	116,078	77,736
Less: loss allowance	(691)	(3,181)	(3,214)
Total	**$ 2,221,888**	**2,190,655**	**2,234,998**
Contract liabilities–advance sales receipts	**$ 90,465**	**187,230**	**58,361**

For details on accounts receivable and loss allowance, please refer to note (6)(e).

The amounts of revenue recognized for the years ended December 31, 2024 and 2023 that were included in the contract liabilities balance at the beginning of the periods were $160,669 and $41,362, respectively.

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(t) Miscellaneous disbursements

Details of miscellaneous disbursements were as follows:

	2024	2023
Impairment losses on assets	$ -	336,113
Other expenses	14,686	4,921
	$ 14,686	**341,034**

(u) Employee compensation and directors' remuneration

Based on the Company's Articles of Incorporation amended on June 6, 2023, if the Company makes a profit in a year, no less than 3% shall be set aside as employees' compensation and no more than 3% shall be set aside as directors' remuneration. However, if the Company still has accumulated losses, the Company shall retain the amount to offset such losses in advance and then provide for the employees' compensation and directors' remuneration in proportion to the aforementioned amounts. The distribution shall be made in the form of cash or shares for employees, but only in the form of cash for the directors. Employees entitled to receive the said shares or cash may include the employees of the Company's subordinate companies who meet certain requirements.

Based on the Company' s Articles of Incorporation amended on June 6, 2023, once the Company has an annual profit, it should appropriate 3% or more of the profit to its employees and 3% or less as directors' remuneration. The Company should offset the prior years' accumulated deficit before any appropriation of profit then appropriate employee compensation and remuneration of directors at the above rate. Employee compensation shall be paid in cash or shares, and the remuneration of directors shall be paid in cash.

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For the years ended December 31, 2024 and 2023, the Company estimated its employee remuneration amounting to $114,320 and $84,000, and directors' remuneration amounting to $62,340 and $45,300, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors of each period, multiplied by the percentage of remuneration to employees, directors as determined by the management. These remunerations were expensed under operating costs or operating expenses during 2024 and 2023. The differences between the amounts approved in the Board of Directors' meeting and those recognized in the financial statement, if any, are accounted for as changes in accounting estimates and recognized as profit or loss in the following year. The numbers of shares to be distributed were calculated based on the closing price of the Company's ordinary shares one day before the date of the meeting of the board of directors.

The amounts as stated in the financial statements, are identical to those of the actual distributions for 2024 and 2023. Related information would be available at the Market Observation Post System Website.

(v) Financial instruments

(i) Credit risk

1) Exposure to credit risk

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

2) The concentration of credit risk

Sales to individual customers constituting over 10% of operating revenues for the years ended December 31, 2024 and 2023, amounted to $6,867,939 and $6,720,123, respectively. In order to reduce the credit risk, the Group monitors the financial conditions of customers regularly. However, the Group usually does not require customers to provide any collateral.

3) Receivables credit risk

For credit risk exposure of accounts receivable, please refer to note (6)(e). Other financial assets at amortized cost, including other receivables and investment in bonds, are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note (4)(g).

The movement of loss allowance of other receivables for the years ended December 31, 2024 and 2023 were as follows:

	Other receivables
Balance on January 1, 2024	$ 10
Reversal of impairment loss	(3)
Effects of movements in exchange rates	1
Balance on December 31, 2024	**$ 8**

(Continued)

TONG HSING ELECTRONIC INDUSTRIES, LTD. AND SUBSIDIARIES
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	Other receivables
Balance on January 1, 2023	$ 95
Impairment loss recognized	646
Amounts written off	(730)
Effects of movements in exchange rates	(1)
Balance on December 31, 2023	**$ 10**

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments:

	Carrying amount	Contractual cash flows	Within a year	Over a year
December 31, 2024				
Non-derivative financial liabilities:				
Notes and accounts payable	$ 787,984	(787,984)	(787,984)	-
Other payables	1,866,276	(1,866,276)	(1,866,276)	-
Lease liabilities (including current and non-current portion)	162,573	(194,149)	(30,569)	(163,580)
Guarantee deposits received	3,569	(3,569)	-	(3,569)
Long-term borrowings (including current portion)	5,022,452	(5,218,384)	(1,670,430)	(3,547,954)
Derivative financial liabilities:				
Forward exchange contracts:	29,454			
Inflow		5,062,096	5,062,096	-
Outflow		(5,091,550)	(5,091,550)	-
	$ 7,872,308	**(8,099,816)**	**(4,384,713)**	**(3,715,103)**
December 31, 2023				
Non-derivative financial liabilities:				
Notes and accounts payable	$ 726,115	(726,115)	(726,115)	-
Other payables	2,005,187	(2,005,187)	(2,005,187)	-
Lease liabilities (including current and non-current portion)	148,151	(174,102)	(29,041)	(145,061)
Guarantee deposits received	3,569	(3,569)	-	(3,569)
Long-term borrowings	5,227,817	(5,441,763)	-	(5,441,763)
Derivative financial liabilities:				
Forward exchange contracts:	723			
Inflow		152,000	152,000	-
Outflow		(152,804)	(152,804)	-
Foreign exchange swaps contracts:	66			
Inflow		216,972	216,972	-
Outflow		(217,039)	(217,039)	-
	$ 8,111,628	**(8,351,607)**	**(2,761,214)**	**(5,590,393)**

(Continued)

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The Group does not expect that the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to currency risk

The Group's significant exposure to financial assets and liabilities for foreign currency risk were as follows:

	December 31, 2024			December 31, 2023		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets						
Monetary items						
USD	$ 193,316	USD/NTD =32.785	6,337,865	188,193	USD/NTD =30.705	5,778,466
JPY	1,911,308	JPY/NTD =0.2099	401,184	18,196	JPY/NTD =0.2172	3,952
Financial liabilities						
Monetary items						
USD	21,192	USD/NTD =32.785	694,780	17,051	USD/NTD =30.705	523,551
JPY	310,845	JPY/NTD =0.2099	65,246	186,185	JPY/NTD =0.2172	40,439

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, notes and accounts payable and other payables that are denominated in foreign currency. A weakening (strengthening) of 5% of the NTD against USD and JPY for the years ended December 31, 2024 and 2023 would have increased or decreased the net profit before tax as follows. The analysis is performed on the same basis for both periods:

	2024	2023
USD (against the NTD)		
Strengthening 5%	$ 282,154	262,746
Weakening 5%	(282,154)	(262,746)
JPY (against the NTD)		
Strengthening 5%	16,797	(1,824)
Weakening 5%	(16,797)	1,824

3) Foreign exchange gains or losses on monetary items

As the Group deals with diverse foreign currencies, gains or losses on foreign exchange were summarized as a single amount. For the years ended December 31, 2024 and 2023, the foreign exchange gains (losses), including realized and unrealized portion, amounted to gains of $379,527, and $7,311, respectively.

(Continued)

(iv) Interest rate analysis

The details of financial assets and liabilities exposed to interest rate risk were as follows:

	Carrying amount	
	December 31, 2024	**December 31, 2023**
Variable rate instruments:		
Financial assets	$ 1,994,319	1,707,562
Financial liabilities	(5,071,905)	(5,360,000)
	$ (3,077,586)	**(3,652,438)**

The exposure to interest rate risk for financial assets and liabilities refers to the management of liquidity risk in this note.

The following sensitivity analysis is based on the exposure to interest rate risk of the non-derivative financial instruments on the reporting date. Regarding the assets and liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.25% when reporting to management internally, which also represents the Group's management assessment of the reasonably possible interest rate change.

If the interest rate had increased or decreased by 0.25%, assuming all other variables remaining constant, the Group’s net profit before tax would have decreased or increased by $7,694 and $9,131, for the years ended December 31, 2024 and 2023, respectively, which would be mainly resulted from the borrowings, demand deposits and time deposits with variable interest rates.

(v) Fair value

1) The categories and the fair values of financial instruments

The fair value of financial assets and liabilities at fair value through profit or loss is measured on a recurring basis. The carrying amount and fair value of the Group’ s financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

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	December 31, 2024				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at fair value through profit or loss (including current and non-current portion)					
Derivative financial assets	$ 19	-	19	-	19
Open-end mutual funds	238,754	238,754	-	-	238,754
Structured deposit	2,728,029	-	2,728,029	-	2,728,029
Structured investments	251,179	-	-	251,179	251,179
Stock listed on domestic markets	227,831	227,831	-	-	227,831
Foreign private funds	243,946	-	-	243,946	243,946
Subtotal	3,689,758				
Financial assets measured at fair value through other comprehensive income					
Stock listed on domestic market–preferred stocks	310,316	310,316	-	-	310,316
Financial assets measured at amortized cost					
Cash and cash equivalents	3,007,906	-	-	-	-
Accounts receivable, net	2,095,279	-	-	-	-
Other receivables	54,360	-	-	-	-
Other current financial assets	35,448	-	-	-	-
Foreign corporate bonds (including current and non-current portion)	3,343,535	-	-	-	-
Guarantee deposits paid (recorded under other non-current assets)	15,729	-	-	-	-
Other non-current financial assets	5,000	-	-	-	-
Subtotal	8,557,257				
Total	$ 12,557,331				
Financial liabilities measured at fair value through profit or loss					
Derivative financial liabilities	$ 29,454	-	29,454	-	29,454
Financial liabilities measured at amortized cost					
Notes and accounts payable	787,984	-	-	-	-
Other payables	1,866,276	-	-	-	-
Lease liabilities (including current and non-current portion)	162,573	-	-	-	-
Guarantee deposits received	3,569	-	-	-	-
Long-term borrowings (including current portion)	5,022,452	-	-	-	-
Subtotal	7,842,854				
Total	$ 7,872,308				

(Continued)

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	December 31, 2023				
	Carrying	Fair value			
	amount	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at fair value through profit or loss (including current and non-current portion)					
Derivative financial assets	$ 55,676	-	55,676	-	55,676
Open-end mutual funds	235,419	235,419	-	-	235,419
Structured deposits	100,226	-	100,226	-	100,226
Structured investments	251,937	-	-	251,937	251,937
Stock listed on domestic markets	184,649	184,649	-	-	184,649
Foreign private funds	249,670	-	-	249,670	249,670
Subtotal	1,077,577				
Financial assets measured at fair value through other comprehensive income					
Stock listed on domestic markets – preferred stocks	320,815	320,815	-	-	320,815
Financial assets measured at amortized cost					
Cash and cash equivalents	4,746,867	-	-	-	-
Accounts receivable, net	2,074,577	-	-	-	-
Other receivables	35,488	-	-	-	-
Other current financial assets	32,041	-	-	-	-
Foreign corporate bonds	2,843,331	-	-	-	-
Guarantee deposits paid (recorded under other non-current assets)	17,119	-	-	-	-
Other non-current financial assets	5,405	-	-	-	-
Subtotal	9,754,828				
Total	$ 11,153,220				
Financial liabilities measured at fair value through profit or loss					
Derivative financial liabilities	$ 789	-	789	-	789
Financial liabilities measured at amortized cost					
Notes and accounts payable	726,115	-	-	-	-
Other payables	2,005,187	-	-	-	-
Lease liabilities (including current and non-current portion)	148,151	-	-	-	-
Guarantee deposits received	3,569	-	-	-	-
Long-term borrowings	5,227,817	-	-	-	-
Subtotal	8,110,839				
Total	$ 8,111,628				

(Continued)

2) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

The fair value of financial instruments traded in active markets is based on quoted market prices. The market prices from the main exchanges and government bond exchanges are the basis of the fair value of the listed company's equity instruments and debt instruments.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm' s-length basis. If the above conditions are not met, the market is considered inactive. Quoted market prices may not be active if the bid-ask spread is wide, the bid-ask spread has increased significantly, or the volume of trading is low.

The fair values of the Group's financial instruments in an active market for each category and attribute were as follows:

The fair values of financial assets and financial liabilities with standard terms and conditions traded in active liquid markets are determined with reference to the quoted market prices, including open-end mutual funds and stocks of listed company.

The measurements on fair value of the financial instruments without an active market are determined using the valuation technique or the quoted market price of its competitors. Fair value measured using the valuation technique can be extrapolated from similar financial instruments, discounted cash flow method, or other valuation techniques which include the model used in calculating the observable market data at the consolidated balance sheet date.

b) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on valuation models commonly accepted by market participants such as the discounted cash flow method or option pricing models. The value of a forward exchange contract is usually determined by the forward exchange rate. Structured investments were calculated using the offer price.

3) Transfer between level

There were no transfers between fair value level for the years ended December 31, 2024 and 2023.

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4) Reconciliation of Level 3 fair values

	Non-derivative financial assets mandatorily measured at fair value through profit or loss
Balance on January 1, 2024	$ 501,607
Total gains and losses	
Recognized in profit or loss	(3,853)
Purchased	102,935
Disposal	(105,564)
Balance on December 31, 2024	**$ 495,125**
Balance on January 1, 2023	$ 779,016
Total gains and losses	
Recognized in profit or loss	5,092
Purchased	88,242
Disposal	(370,743)
Balance on December 31, 2023	**$ 501,607**

For the years ended December 31, 2024 and 2023, total gains and losses were included in gains (losses) on financial assets (liabilities) at fair value through profit or loss and foreign exchange gains (losses), net.

5) The quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include investment in private funds and structured investments.

The quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss－investment in private funds	Net asset value method	· Net asset value	Not applicable

(Continued)

The fair value of the structured investments is based on unadjusted quote price of trading partners. Therefore, the quantitative information and sensitivity analysis are not available.

(w) Financial risk management

(i) Overview

The Group has exposures to the following risks from its financial instruments：

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risk exposures, please refer to the respective notes in the accompanying consolidated financial statements.

(ii) Structure of risk management

The Group minimizes the risk exposure by purchasing derivative financial instruments. The Board of Directors regulated the transaction of derivative and non-derivative financial instruments in accordance with the Group's procedures for acquisition and disposal of assets. The internal auditors of the Group continually review the amount of the risk exposure in accordance with the Group's policy and the risk management policies and procedures. The Group has no transactions in the financial instruments (including derivative financial instruments) for the purpose of speculation.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

1) Accounts receivable and other receivables

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group offers standard payment term and shipment term. New customers may transact with the Group only on a prepayment basis.

In order to mitigate account receivable credit risk, the Group constantly assesses the financial status of the customers, and requests the customers to provide guarantee or security if necessary. The Group regularly accesses the collectability of accounts receivable and recognizes allowance for accounts receivable. The impairment losses are always within management's expectation.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including listed company and unlisted company. In order to avoid the excess of credit limitation of the customer, the Group constantly monitors the status of the customers. The Group will stop trading with the customer who has no credit limits, unless the payment has been paid or approved. Furthermore, credit limits of the customers will be assessed quarterly.

The Group sets the allowance for bad debt account to reflect the estimated losses for accounts receivable, other receivables, and investment.

2) Investment

The credit risk exposure in the bank deposits, fixed income investments and other financial instruments are measured and monitored by the Group's finance department. Since the Group's transaction counterparties and contractually obligated counterparties are banks, financial institutes and corporate organizations with good credits, there are no compliance issues, and therefore no significant credit risk.

3) Guarantees

Pursuant to the Group's policies, it is only permissible to provide financial guarantees to subsidiaries. As of December 31, 2024 and 2023, the Group did not provide any guarantees.

(iv) Liquidity risk

The Group manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group's management supervises the banking facilities and ensures in compliance with the terms of the loan agreements.

The loans and borrowings from the bank form an important source of liquidity for the Group. Please refer to notes (6)(k) and (6)(l) for unused short-term and long-term bank facilities as of December 31, 2024 and 2023.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities, which are NTD and USD. The currencies used in these transactions are denominated in EUR, USD, JPY, and PHP.

2) Interest rate risk

Entities in the Group borrow funds with floating interest rates which results to risks of cash flows.

3) Other market price risk

The Group is exposed to equity price risk due to stocks listed in domestic markets and the quoted open-end fund at fair value.

(x) Capital management

The Group maintains the capital based on the current operating characteristics of the industry, future development, and changes in external environment, to assure there is financial resource and operating plan to support working capital, capital expenditures, research & development expense, debt redemption and dividend payment and so on. The management decides the optimized capital by using appropriate debt-to-equity ratio. To maintain a strong capital base, the Group enhances the return on equity by optimizing debt-to-equity ratio. The Group's debt-to-equity ratio at the end of the reporting date was as follows:

	December 31, 2024	December 31, 2023
Total liabilities	$ 8,782,720	9,220,975
Total equity	25,832,859	24,441,455
Debt-to-equity ratio	34 %	38 %

As of the year ended December 31, 2024, there were no changes in the Group's approach to capital management.

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

(i) The Group's investing and financing activities, which did not affect the current cash flow for the years ended December 31, 2024 and 2023, were as the acquisition of its right-of-use assets by lease, please refer to note (6)(i).

(ii) Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes		
	January 1, 2024	**Cash flows**	**Increase**	**Other**	**December 31, 2024**
Lease liabilities (including current and non-current portion)	$ 148,151	(34,100)	53,204	(4,682)	162,573
Guarantee deposits received	3,569	-	-	-	3,569
Long-term borrowings (including current portion)	5,227,817	(288,095)	-	82,730	5,022,452
Total liabilities from financing activities	**$ 5,379,537**	**(322,195)**	**53,204**	**78,048**	**5,188,594**

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	January 1, 2023	Cash flows	Non-cash changes		December 31, 2023
			Increase	Other	
Lease liabilities (including current and non-current portion)	$ 116,470	(24,766)	56,447	-	148,151
Guarantee deposits received	3,413	156	-	-	3,569
Long-term borrowings	5,204,769	-	-	23,048	5,227,817
Total liabilities from financing activities	**$ 5,324,652**	**(24,610)**	**56,447**	**23,048**	**5,379,537**

(7) Related-party transactions

(a) Parent company and ultimate controlling company

The Company is the ultimate controlling party of the Group.

(b) Name and relationship with related parties

The followings are related parties that have had transactions with the Group during the periods covered in the consolidated financial statements:

Name of related party	Relationship with the Group
Multi-field Holdings Corporation (Multi-field)	Substantial related party (Note)
Yageo Corporation (Yageo)	Same chairman as the Company
Ralec Electronic Corporation (Ralec)	Substantial related party
Yageo Professional Competition Development Association	Substantial related party
Yageo Foundation	Substantial related party

Note: In the fourth quarter of 2024, it was determined that the Company has substantial control over this entity, which is included in the consolidation. Please refer to note (4)(c) for other related information.

(c) Significant transaction with related parties

(i) Operating expenses

	2024	2023
Substantial related party	**$ 5,937**	**11,000**

As of December 31, 2024 and 2023, the payable amounts arising from the above transactions were $1,497 (including tax) and $0, respectively, and were recorded under other payables.

(i) Others

Please refer to note (6)(h) for the related information of transaction with related parties as of December 31, 2023.

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(d) Transactions with key management personnel

Key management personnel compensation comprised of:

	2024	2023
Short-term employee benefits	$ 141,349	137,877
Post-employment benefits	690	762
	$ 142,039	138,639

(8) Assets pledged as security

The carrying amounts of pledged assets were as follows:

Pledged assets	Subject	December 31, 2024	December 31, 2023
Other current financial assets – time deposits	Credit lines for letters of credit and short-term borrowings and credit lines	$ 32,457	30,398
Other non-current financial assets – time deposits	Rental guarantee for the plant in the Hsinchu Science Park, Longtan Dist.	5,000	5,000
〃	Guarantee for cooperative education program	-	405
Property, plant and equipment－land and buildings	Long-term and short-term borrowings and credit lines	188,314	192,171
		$ 225,771	227,974

(9) Commitments and contingencies

(a) The Group's unrecognized contractual commitments were as follows:

	December 31, 2024	December 31, 2023
Future payments for the purchase of equipment and construction in progress	$ 111,722	552,820

(b) The Group's unused and outstanding letters of credit and the deposit for the Group's customs duties were as follows:

	December 31, 2024	December 31, 2023
Unused and outstanding letters of credit and the deposit for customs duties	$ 28,000	36,500

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(10) Losses due to major disasters:

The fire incident occurred on September 26, 2022 resulted in the destruction of certain parts of the building, equipment, and inventory in the Company' s Taipei factory, causing the Company to incur repairments and maintenance expenses. In addition, part of the personnel affected by the fire incidents have been transferred to other business premises of the Company to continue their daily operations. The remaining production lines and other factory areas of the Taipei factory remain in normal operation. For the year ended December 31, 2022, the damaged buildings and equipment derecognized by the Company amounted to $166,511 and the inventory derecognized amounted to $37,579. The total estimated losses from the incidents above amounted to $204,090.

For the year ended December 31, 2023, the Company recognized and received insurance claim income amounted to $103,132, which was recorded under other income.

(11) Subsequent events:

The Chairman has been authorized to carry out administrative procedures for land acquisition, in response to the future expansion of THEPI, a subsidiary of the Group, based on a resolution approved during the board meeting held on October 29, 2024. On January 17, 2025, a pre-sale land sale and purchase agreement was signed with a non-related party, with a total consideration of approximately $624,879.

(12) Other

(a) A summary of employee benefits, depreciation and amortization, categorized by function, is as follows:

By function	2024			2023		
By item	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salaries	1,669,589	684,188	2,353,777	1,906,163	694,550	2,600,713
Labor and health insurance	147,289	45,611	192,900	155,078	44,166	199,244
Pension	67,622	19,486	87,108	69,044	20,792	89,836
Other employee benefits	130,701	33,982	164,683	128,642	26,109	154,751
Depreciation	1,376,852	230,839	1,607,691	1,213,514	73,097	1,286,611
Amortization	10,747	118,452	129,199	7,666	122,839	130,505

(Continued)

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(13) Other disclosures

(a) Information on significant transactions:

The followings were the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the year ended December 31, 2024:

(i) Loans to other parties:

Unit: In Thousands of New Taiwan Dollars

Number (Note 1)	Name of lender	Name of borrower	Account name	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 2)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits (Note 2)	Maximum limit of fund financing (Note 2)
												Item	Value		
0	The Company	THEPI	Other receivables-related parties	983,550 (USD30,000)	983,550 (USD30,000)	-	Reference capital cost to be negotiated separately	Short-erm financing	-	The expansion of the subsidiary's operations	-	None	-	2,578,729	7,736,186

Note 1: "0", represents the Company, and subsidiaries are numbered starting from "1".
Note 2: According to lender's "Procedures for Loans to Other Parties," for other companies or entities having short-term financing needs, the total amount shall not exceed 30% of the most recent audited or reviewed net worth of the Company, the individual financing amount shall not exceed 10% of the most recent audited or reviewed net worth of the Company.
Note 3: The amount in NTD shown above were calculated based on the exchange rate of the date at the consolidated balance sheet date.

(ii) Guarantees and endorsements for other parties: None.

(iii) Securities held as of December 31, 2024 (excluding investment in subsidiaries, associates and joint ventures):

Unit: thousand units/ thousand shares

Name of holder	Name of security		Relationship with Company	Account tittle	Ending balance				Highest Percentage of ownership during the year	Note
	Category	Name			Shares /Units	Carrying amount	Percentage of ownership (%)	Fair value		
The Company	Open-end mutual funds	Jin Sun Money Market Fund	None	Current financial assets at fair value through profit or loss	15,433	238,754	-	238,754	-	
The Company	Structured deposits	President securities Corporation DSU 100% NTD PGN	None	Current financial assets at fair value through profit or loss	-	1,073,039	-	1,073,039	-	
The Company	Structured deposits	KGI Bank Short-Term Rate NTD Structured Product	None	Current financial assets at fair value through profit or loss	-	493,024	-	493,024	-	
The Company	Structured deposits	Far Eastern International Bank 6-Month NTD Interest Rate-Linked Structured Product	None	Current financial assets at fair value through profit or loss	-	1,161,966	-	1,161,966	-	
The Company	Structured investment	GIANT MANUFACTURING CO., LTD. Credit-Linked Structured Notes	None	Current financial assets at fair value through profit or loss	-	151,086	-	151,086	-	
The Company	Structured investment	Shinfox Energy Credit-Linked Structured Notes	None	Non-current financial assets at fair value through profit or loss	-	100,093	-	100,093	-	
The Company	Fund	SMART Growth Fund, L.P.	None	Non-current financial assets at fair value through profit or loss	-	243,946	1.60 %	243,946	1.60 %	Notes 1,2
The Company	Stock	Shin Kong Financial Holding Co., Ltd. Preferred Shares B	None	Non-current financial assets at fair value through profit or loss	6,445	227,831	-	227,831	-	
The Company	Stock	Fubon Financial Holding Co., Ltd. Preferred Shares C	None	Non-current financial assets at fair value through other comprehensive income	5,833	310,316	-	310,316	-	
The Company	Stock	eGtran Corporation	None	Non-current financial assets at fair value through other comprehensive income	22	-	-	-	-	

Name of holder	Name of security		Relationship with Company	Account tittle	Ending balance				Highest Percentage of ownership during the year	Note
	Category	Name			Shares /Units	Carrying amount	Percentage of ownership (%)	Fair value		
The Company	Bond	Formosa Group Cayman LTD International Bond	None	Current financial assets at amortized cost	-	327,386	-	327,386	-	Notes 2,3
The Company	Bond	Nissan Motor Co. Ltd. USD Bond	None	Current financial assets at amortized cost	-	324,825	-	324,825	-	Notes 2,3
The Company	Bond	TSMC Global Corp. International Bond (AC27)	None	Current financial assets at amortized cost	-	224,216	-	224,216	-	Notes 2,3
The Company	Bond	TSMC Arizona Corp. International Bond	None	Non-current financial assets at amortized cost	-	157,834	-	157,834	-	Notes 2,3
The Company	Bond	TSMC Global Corp. International Bond (AF57)	None	Non-current financial assets at amortized cost	-	253,236	-	253,236	-	Notes 2,3
The Company	Bond	JPMorgan Chase & Co. International Bond	None	Non-current financial assets at amortized cost	-	328,714	-	328,714	-	Notes 2,3
The Company	Bond	Morgan Stanley International Bond	None	Non-current financial assets at amortized cost	-	339,223	-	339,223	-	Notes 2,3
The Company	Bond	HSBC Holdings PLC International Bond 1	None	Non-current financial assets at amortized cost	-	153,247	-	153,247	-	Notes 2,3
The Company	Bond	HSBC Holdings PLC International Bond 2	None	Non-current financial assets at amortized cost	-	123,075	-	123,075	-	Notes 2,3
The Company	Bond	HSBC Holdings PLC International Bond 3	None	Non-current financial assets at amortized cost	-	261,113	-	261,113	-	Notes 2,3
The Company	Bond	Mitsubishi UFJ Bond Financial Group Inc. International Bond	None	Non-current financial assets at amortized cost	-	231,536	-	231,536	-	Notes 2,3
The Company	Bond	Bank of America Corp. International Bond	None	Non-current financial assets at amortized cost	-	325,553	-	325,553	-	Notes 2,3
The Company	Bond	UBS Group AG International Bond	None	Non-current financial assets at amortized cost	-	229,210	-	229,210	-	Notes 2,3
The Company	Bond	Citigroup Inc. International Bond	None	Non-current financial assets at amortized cost	-	64,367	-	64,367	-	Notes 2,3

Note 1: The amount of investment is USD 6,810 thousand.
Note 2: Include foreign exchange gains or losses, net.
Note 3: The fair value is shown at amortized cost.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock:

Unit: thousand units/ thousand shares

Company holding securities	Name of security		Account	Counter-party	Relationship	Beginning Balance (Note)		Purchases		Sales				Ending Balance(Note)	
	Category	Name				Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Price	Cost	Gain (loss) on disposal	Shares (in thousands)	Amount
The Company	Structured deposits	President Securities Corporation DSU 100% NTD PGN	Current financial assets at fair value through profit or loss	President Securities Corporation	None	-	100,226	-	1,850,000	-	881,502	880,000	1,502	-	1,073,039
The Company	Structured deposits	KGI Bank Short-Term Rate NTD Structured Product	Current financial assets at fair value through profit or loss	KGI Securities Co., Ltd.	None	-	-	-	780,000	-	290,202	290,000	202	-	493,024
The Company	Structured deposits	Far Eastern International Bank 6-Month NTD Interest Rate-Linked Structured Product	Current financial assets at fair value through profit or loss	Far Eastern International Bank	None	-	-	-	1,160,000	-	-	-	-	-	1,161,966

Note: The ending balance includes the adjustment on valuation of financial assets.

(Continued)

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:

Units: In Thousands of New Taiwan Dollars

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party with the Company	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Other
							Owner	Relationship with the Company	Date of transfer	Amount			
The Company	Plant	August 31, 2020	3,200,000	Paid 3,200,000	Chung-Lin General Contractors, Ltd.	None	N/A	N/A	N/A	-	Open bid	Extension of the plant	None

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

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Units: In Thousands of New Taiwan Dollars

Name of Company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/ (Sale)	Amount	Percentage of total purchases/ (sales)	Payment terms	Unit price	Payment Terms	Ending Balance	Percentage of total notes/ accounts receivable (payable)	
The Company	THEPI	100% owned subsidiary by the Company	Purchase	1,818,117	38 %	Monthly closing and paid by cash	-	-	Accounts payable (99,211)	(14)%	Note 2
The Company	THEPI	100% owned subsidiary by the Company	Processing fee	500,951	10 %	Monthly closing and paid by cash	-	-	Note 1	- %	Note 2
THEPI	The Company	Parent company	Sale	(2,197,666)	(78)%	Monthly closing and received by cash	-	-	Accounts receivable 235,288	93 %	Note 2
THEPI	The Company	Parent company	Processing income	(500,951)	(22)%	Monthly closing and received by cash	-	-	Accounts receivable 18,283	7 %	Note 2
THEPI	The Company	Parent company	Purchase	379,549	24 %	Monthly closing and paid by cash	-	-	Accounts payable (136,077)	16 %	Note 2

Note 1: The other payables amounted to $18,283 as of December 31, 2024.
Note 2: The transactions have been eliminated in the consolidated financial statements.

(viii) Information regarding receivables from related-parties exceeding NT$100 million or 20% of the Company's paid-in capital:

Units: In Thousands of New Taiwan Dollars

Name of company	Related party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (Note 1)	Allowance for bad debts	Note
					Amount	Action taken			
THEPI	The Company	100% owned subsidiary by the Company	117,494	22.01 %	-	-	117,494	-	Note 2

Note 1：Information as of January 15, 2025.
Note 2：The transactions have been eliminated in the consolidated financial statements.

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(ix) Information regarding trading in derivative instruments: Please refer to note (6)(b).

(x) Significant transactions and business relationship between the parent company and its subsidiaries for the year ended December 31, 2024:

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Accounts name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	THEPI	The Company	2	Sale revenue	2,197,666	The sales prices of inter company sales are not significantly different from those of the third parties. The payment term is monthly closing, and the payment is received by cash.	18 %
1	THEPI	The Company	2	Processing income	500,951	The sales prices of inter company sales are not significantly different from those of the third parties. The payment term is monthly closing, and the payment is received by cash.	4 %
1	THEPI	The Company	2	Accounts receivable	235,288	The sales prices of inter company sales are not significantly different from those of the third parties. The payment term is monthly closing, and the payment is received by cash.	1 %
1	THEPI	The Company	2	Accounts receivable	18,283	The sales prices of inter company sales are not significantly different from those of the third parties. The payment term is monthly closing, and the payment is received by cash.	- %
1	THEPI	The Company	2	Operating costs	379,549	The sales prices of inter company sales are not significantly different from those of the third parties. The payment term is monthly closing, and the payment is received by cash.	3 %
1	THEPI	The Company	2	Accounts payable	136,077	The sales prices of inter company sales are not significantly different from those of the third parties. The payment term is monthly closing, and the payment is received by cash.	- %

Note 1: The numbers filled in as follows:
1. 0 represents the Company.
2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2: Relationship with the transactions labeled as follows:
1 represents the transactions from the parent company to its subsidiaries.
2 represents the transactions from the subsidiaries to the parent company.
3 represents the transactions between subsidiaries.

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(b) Information on investees:

The following is the information on investees for the year ended December 31, 2024 (excluding information on investees in Mainland China):

Unit: thousands of New Taiwan Dollars/ thousand of shares

				Original Investment Amount		Ending Balance			Highest percentage during the year of Ownership	Net income (losses) of the investee	Share of profit (losses) of investee	
Name of investor	Name of Investee	Location	Main Businesses and Products	December 31, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying amount				Note
The Company	THEPI	Philippines	Sales and manufacturing of RF module, hybrid modules & specialty packaging, ceramic metalized substrate and image products	2,016,853	2,016,853	28,793	100.00 %	2,018,031	100 %	(88,212)	(95,870)	Note 1
The Company	Muliti-field	Philippines	Trading and leasing of real estate	-	-	-	-	-	- %	4,624	-	With substantial control

Note 1：The transactions have been eliminated in the consolidated financial statements.

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information: None.

(ii) Limitation on investment in Mainland China: None.

(iii) Significant transactions: None.

(d) Major shareholders: None of the shareholders held an ownership stake exceeding 5%.

(14) Segment information

(a) General Information

The Group has adjusted its internal organizational structure into a single business unit in 2022, wherein the operation segment focuses on providing the best solutions for process technology. The operational decision maker reviews the operation result regularly to allocate the necessary resources and measures performances. Thus, the Group provides the operational decision maker with segment information for review, which is measured on the same basis as that of the consolidated financial statements. For the years ended December 31, 2024 and 2023, the revenue and operation results to be reported can be referred to the consolidated statements of comprehensive income, wherein the total revenues of the reportable segment amounting to $2,698,617 and $2,352,070 had been deducted from the intersegment revenues for the years ended December 31, 2024 and 2023, respectively.

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(b) Product information

Revenue from the external customers of the Group was as follows:

Products	2024	2023
Image products	$ 5,748,736	6,070,802
Hybrid modules & specialty packaging	2,950,801	2,675,402
Ceramic metalized substrate	2,202,995	1,994,307
RF module	1,045,577	732,625
Others	142,885	111,773
Total	**$ 12,090,994**	**11,584,909**

(c) Geographic information

Information on the geographical location of customers and segment assets are based on the geographical location of the non-current assets.

(i) Revenue from external customers:

Country	2024	2023
Malaysia	$ 2,709,294	2,180,102
Switzerland	2,642,895	3,126,425
Japan	2,083,737	1,779,113
United States	1,495,311	1,353,069
Singapore	1,137,152	1,166,969
China	745,041	711,838
Others	1,277,564	1,267,393
Total	**$ 12,090,994**	**11,584,909**

(ii) Non-current assets:

	December 31, 2024	December 31, 2023
Taiwan	$ 18,894,003	19,733,702
Philippines	872,964	636,275
Total	**$ 19,766,967**	**20,369,977**

Non-current assets include property, plant and equipment, right-of-use assets, investment property, net, intangible assets, guarantee deposits paid and other non-current assets, not including financial instruments, deferred tax assets and net defined benefit asset.

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(d) Major customers

Sales to individual customers constituting over 10% of the total revenue in the consolidated statements of comprehensive income are summarized as follows:

	2024	2023
10087	$ 2,730,878	3,140,728
10177	2,114,447	1,890,528
10274	2,022,614	1,688,867
	$ 6,867,939	**6,720,123**