Stock Code: 6449

APAQ TECHNOLOGY CO., LTD. and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report

For the Years Ended December 31, 2024, and 2023

Address: 4F., No.2 & 6, Kedong 3rd Rd., Chunan Township, Miaoli County
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Declaration

In year 2024 (from January 1 to December 31, 2024), pursuant to the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises", the Company's entities that shall be included in preparing the Consolidated Financial Statements for Affiliates and the Parent-Subsidiary Consolidated Financial Statements for International Financial Reporting Standards (IFRS) 10 are the same. Moreover, the disclosure information required for the Consolidated Financial Statements for Affiliates has been fully disclosed in the aforementioned Parent-Subsidiary Consolidated Financial Statements; hence, a separate Consolidated Financial Statements for Affiliates will not be prepared.

Sincerely,

Company Name: APAQ TECHNOLOGY CO., LTD.

Chairman: Dr. DJ Zheng

February 26, 2025

Independent Auditors' Report

To the Board of Directors of APAQ TECHNOLOGY CO., LTD.

Opinions

We have audited the accompanying consolidated balance sheet of APAQ TECHNOLOGY CO., LTD. and its subsidiaries (the "Group") as of December 31, 2024, and 2023, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, and notes to consolidated financial statements (including a summary of significant accounting policies).

In our opinion, based on our audits and the audit reports of other independent accountants, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) as endorsed by the Financial Supervisory Commission (FSC).

Basis for Opinions

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards. Our responsibilities under those standards are further described in the section titled Auditor's Responsibilities for the Audit of the Consolidated Financial Statements. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not express a separate opinion on these matters. Key audit matters for the Group's financial statements of the current period are stated as follows:

Inventory assessment

For accounting policies related to inventory assessment, please refer to Note IV(VIII) Inventory of the financial statements. For accounting estimates and assumption uncertainty for inventory assessment, please refer to Note V of the consolidated financial statements. Relevant details can be found in Note VI(V) Net Inventory.

Description of key audit matters:

Since inventory is measured by the lower of cost and net realizable value, companies need to employ judgments and estimates to determine the net realizable value of inventory on the reporting date. Due to the rapid evolution in technology, the net realizable value fluctuates and potentially leads to significant changes. Therefore, the assessment for the allowance for price decline in inventories is one of the important evaluation items for the accountant when auditing the Group's consolidated financial statements.

How our audit addressed the matter:

Our main audit procedure for the aforementioned key matters includes obtaining the inventory aging report and checking the general ledger, selecting appropriate samples from the inventory aging report to compare with the transaction documents to verify that the inventory has been placed in the appropriate interval of the inventory aging report, understanding the management's strategy for calculating the net realizable value and checking relevant documents, evaluating the reasonableness of the inventory price decline and the policy for taking stock of obsolete and slow-moving inventories, assessing whether the inventory evaluation has been implemented in accordance with the established accounting policies, and evaluating whether the management's disclosure for allowance for price decline in inventories is reasonable.

Other Matters

We have audited and expressed an unqualified opinion with other matter sections on the parent company only financial statements of APAQ TECHNOLOGY CO., LTD. as at and for the years ended December 31, 2024, and 2023.

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

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

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

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

Auditor's 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 auditing standards will always detect a material misstatement when it exists. Misstatement may arise from fraud or error. Misstatements 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 auditing standards, we maintain professional skepticism throughout the audit. We also perform the following tasks:

I. 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.

II. 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 internal control.

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

IV. 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 auditor's 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

V. 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.

VI. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

KPMG Taiwan

CPAs:

Securities Competent Authority Approval No.	:	Jin-Guan-Zheng-Shen-Zi No. 1040007866
		Jin-Guan-Zheng-Shen-Zi No. 1020002066

February 26, 2025

APAQ TECHNOLOGY CO., LTD. and Subsidiaries

Consolidated Balance Sheet

For the years ended December 31, 2024, and 2023

Unit: NT$ thousands

		2024.12.31		2023.12.31	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents [Note VI(I)]	$ 1,541,797	22	1,124,174	23
1110	Financial assets at fair value through profit or loss - current [Note VI(II)]	47,079	1	29,775	1
1150	Notes receivable [Note VI(IV)]	49,086	1	49,562	1
1170	Accounts receivable [Note VI(IV)]	1,500,079	22	1,166,299	24
1180	Accounts receivable - related parties [Notes VI(IV) & VII]	73,360	1	60,048	1
1310	Inventories, net [Note VI(V)]	728,218	10	684,754	14
1479	Other current assets [Note VI(X)]	125,678	2	53,485	1
		4,065,297	59	3,168,097	65
	Non-current assets:				
1510	Financial assets at fair value through profit or loss - non-current [Note VI(II)]	5,409	-	-	-
1517	Financial assets at fair value through other comprehensive income - non-current [Note VI(III)]	1,028,200	15	212,957	4
1550	Investments accounted for under the equity method [Note VI(VI)]	59,077	1	76,665	2
1600	Property, plant and equipment [Note VI(VIII)]	1,437,947	21	1,296,039	26
1755	Right-of-use assets (Note VI(IX) and (XIV))	78,343	1	34,754	1
1780	Intangible assets [Note VI(XI)]	76,115	1	25,215	-
1840	Deferred income tax assets [Note VI(XVI)]	46,246	1	61,284	1
1920	Refundable deposits	11,140	-	29,007	1
1990	Other non-current assets [Note VI(X)]	50,572	1	18,337	-
		2,793,049	41	1,754,258	35
	Total assets	$ 6,858,346	100	4,922,355	100

		2024.12.31		2023.12.31	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term loans [Note VI(XII)]	$ 1,420,000	21	837,000	17
2170	Accounts payable	527,553	8	353,109	7
2180	Accounts payable - related parties [Note VII]	10,303	-	12,921	-
2201	Payroll and bonus payable	191,576	3	137,035	3
2213	Payable on equipment	36,175	-	27,339	1
2280	Lease liabilities - current [Note VI(XIV)]	25,480	-	14,294	-
2322	Long-term loans due within one year or one operating cycle [Note VI(XIII)]	158,634	2	152,111	3
2399	Other current liabilities	243,709	4	153,414	3
		2,613,430	38	1,687,223	34
	Non-current liabilities:				
2540	Long-term loans [Note VI(XIII)]	152,185	2	310,389	6
2570	Deferred income tax liabilities [Note VI(XV)]	11,050	-	-	-
2580	Lease liabilities - non-current [Note VI(XIV)]	42,921	1	10,368	-
		206,156	3	320,757	6
	Total liabilities	2,819,586	41	2,007,980	40
	Equity [Note VI (XVII)]:				
3100	Share capital	889,535	13	889,535	18
3200	Capital surplus	768,527	11	768,493	16
3300	Retained earnings	1,704,124	25	1,372,023	28
3400	Other equity	598,662	9	(75,302)	(1)
3500	Treasury shares	(40,374)	(1)	(40,374)	(1)
	Total equity attributable to owners of parent	3,920,474	57	2,914,375	60
36XX	Non-controlling interests [Note VI (XVII)]	118,286	2	-	-
	Total equity	4,038,760	59	2,914,375	60
	Total liabilities and equity	$ 6,858,346	100	4,922,355	100

(Please refer to the attached notes of the consolidated financial statements for details)

Chairman: Dr. DJ Zheng **Manager: Shi-Dong Lin** **Accounting Manager: Pei-Ling Li**

APAQ TECHNOLOGY CO., LTD. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years ended December 31, 2024, and 2023

Unit: NT$ thousands

		2024		2023	
		Amount	**%**	**Amount**	**%**
4110	**Net sales revenue** [Notes VI(XX) & VII]	$ 3,495,668	100	2,934,913	100
5110	Cost of goods sold [Notes VI(V),(VIII), (IX), (XXI) & VII]	2,450,424	70	2,138,060	73
5950	**Gross profit**	1,045,244	30	796,853	27
6000	**Operating expenses** [Notes VI (VIII), (IX), (XIV), (XXI) & VII]:				
6100	Selling expenses	149,964	4	124,346	4
6200	Administrative expenses	219,410	7	189,750	6
6300	Research and development expenses	150,125	4	105,514	4
	Total operating expenses	519,499	15	419,610	14
6900	**Operating income**	525,745	15	377,243	13
7000	**Non-operating income and expenses**				
7020	Other gains and losses [Notes VI(II), (VII) & (XXII)]	47,854	2	37,662	-
7050	Finance costs [Notes VI(XIV) & (XXII)]	(31,322)	(1)	(29,448)	(1)
7100	Interest income [Notes VI(XXII)]	34,125	1	18,441	1
7230	Foreign exchange gain (loss) [Note VI(XXIII)]	111,487	3	24,185	1
7370	Share of profit or loss of associates accounted for under the equity method [Note VI(VI)]	(4,893)	-	(6,293)	-
	Non-operating income and expenses, net	157,251	5	44,547	1
7900	**Income before income tax**	682,996	20	421,790	14
7950	**Less: Income tax expense** [Note VI(XVI)]	171,181	5	93,412	3
	Net income for the period	511,815	15	328,378	11
8300	**Other comprehensive income:**				
8310	**Items that may not be reclassified subsequently to profit or loss**				
8316	Unrealized valuation gains (losses) from investments in equity instruments at fair value through other comprehensive income	561,561	16	100,014	3
	Total of items that may not be reclassified subsequently to profit or loss	561,561	16	100,014	3
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Financial statements translation differences of foreign operations	140,504	4	(44,000)	(1)
8399	Less: Income tax related to items that may be reclassified [Note VI(XVI)]	(28,101)	1	8,800	-
	Total of items that may be reclassified subsequently to profit or loss	112,403	3	(35,200)	(1)
8300	**Other comprehensive income, net of tax**	673,964	19	64,814	2
8500	**Total comprehensive income**	$ 1,185,779	34	393,192	13
	Net income attributed to:				
8610	Owners of the parent company	$ 534,394	16	328,378	11
8620	Non-controlling interests	(22,579)	(1)	-	-
		$ 511,815	15	328,378	11
	Total comprehensive income attributed to:				
8710	Owners of the parent company	$ 1,208,358	35	393,192	13
8720	Non-controlling interests	(22,579)	(1)	-	-
		$ 1,185,779	34	393,192	13
	Earnings per share (Unit: NT$) [Note VI(XIX)]				
9750	Basic earnings per share	$ 6.08		3.73	
9850	Diluted earnings per share	$ 6.04		3.71	

(Please refer to the attached notes of the consolidated financial statements for details)

Chairman: Dr. DJ Zheng **Manager: Shi-Dong Lin** **Accounting Manager: Pei-Ling Li**

APAQ TECHNOLOGY CO., LTD. and Subsidiaries
Consolidated Statements of Changes in Equity
For the Years ended December 31, 2024, and 2023

Unit: NT$ thousands

			Retained earnings				Other equity items						
	Share capital - common shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Financial statements translation differences of foreign operations	Gains (losses) on equity instruments investment at fair value through other comprehensive income	Total	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance as of January 1, 2023	$ 889,535	765,757	196,753	98,691	860,465	1,155,909	(66,870)	16,783	(50,087)	(40,374)	2,720,740	-	2,720,740
Net income for the period	-	-	-	-	328,378	328,378	-	-	-	-	328,378	-	328,378
Other comprehensive income for the period	-	-	-	-	-	-	(35,200)	100,014	64,814	-	64,814	-	64,814
Total comprehensive income for the year	-	-	-	-	328,378	328,378	(35,200)	100,014	64,814	-	393,192	-	393,192
Earnings appropriation and distribution:													
Appropriation of legal reserve	-	-	33,843	-	(33,843)	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(48,604)	48,604	-	-	-	-	-	-	-	-
Cash dividends of common shares	-	-	-	-	(202,293)	(202,293)	-	-	-	-	(202,293)	-	(202,293)
Effect of changes in percentage of shareholding in long-term equity investments	-	2,736	-	-	-	-	-	-	-	-	2,736	-	2,736
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	90,029	90,029	-	(90,029)	(90,029)	-	-	-	-
Balance as of December 31, 2023	889,535	768,493	230,596	50,087	1,091,340	1,372,023	(102,070)	26,768	(75,302)	(40,374)	2,914,375	-	2,914,375
Net income for the period	-	-	-	-	534,394	534,394	-	-	-	-	534,394	(22,579)	511,815
Other comprehensive income for the period	-	-	-	-	-	-	112,403	561,561	673,964	-	673,964	-	673,964
Total comprehensive income for the year	-	-	-	-	534,394	534,394	112,403	561,561	673,964	-	1,208,358	(22,579)	1,185,779
Earnings appropriation and distribution:													
Appropriation of legal reserve	-	-	41,841	-	(41,841)	-	-	-	-	-	-	-	-
Appropriation of special reserve	-	-	-	25,216	(25,216)	-	-	-	-	-	-	-	-
Cash dividends of common shares	-	-	-	-	(202,293)	(202,293)	-	-	-	-	(202,293)	-	(202,293)
Exercise of disgorgement	-	34	-	-	-	-	-	-	-	-	34	-	34
Non-controlling interests arising from mergers and acquisitions	-	-	-	-	-	-	-	-	-	-	-	140,865	140,865
Balance as of December 31, 2024	$ 889,535	768,527	272,437	75,303	1,356,384	1,704,124	10,333	588,329	598,662	(40,374)	3,920,474	118,286	4,038,760

(Please refer to the attached notes of the consolidated financial statements for details)

Chairman: Dr. DJ Zheng **Manager: Shi-Dong Lin** **Accounting Manager: Pei-Ling Li**

APAQ TECHNOLOGY CO., LTD. and Subsidiaries

Consolidated Statements of Cash Flows

For the Years ended December 31, 2024, and 2023

Unit: NT$ thousands

	2024	2023
Cash flows from operating activities:		
Income before income tax for the period	$ 682,996	421,790
Adjustments:		
Income and expense items		
Depreciation	255,991	243,046
Amortization	4,969	4,708
Loss on valuation of financial assets at fair value through profit or loss	1,338	4
Interest expense	31,322	29,448
Interest income	(34,125)	(18,441)
Dividend income	(1,621)	(6,501)
Loss on market value decline and obsolete and slow-moving inventories	41,966	13,531
Share of loss of associates accounted for under the equity method	4,893	6,293
Loss (gain) on disposal of property, plant, and equipment	(226)	1,133
Disposal of Investment profit	(31,076)	-
Other non-cash expenses and losses	2,574	360
Total income and expense items	276,005	273,581
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	(330,210)	(311,706)
Inventories	(85,430)	66,213
Other operating assets	(67,528)	9,384
Accounts payable (including related parties)	207,493	96,657
Other operating liabilities	89,308	38,848
Total adjustments	89,638	172,977
Cash generated from operations	772,634	594,767
Interest received	33,881	19,151
Dividends received	1,621	6,501
Interest paid	(30,556)	(29,089)
Income tax paid	(114,347)	(100,981)
Net cash generated from operating activities	663,233	490,349

(Continued on next page)

(Please refer to the attached notes of the consolidated financial statements for details)

Chairman: Dr. DJ Zheng **Manager: Shi-Dong Lin** **Accounting Manager: Pei-Ling Li**

APAQ TECHNOLOGY CO., LTD. and Subsidiaries

Consolidated Statements of Cash Flows (continued from previous page)

For the Years ended December 31, 2024, and 2023

Unit: NT$ thousands

	2024	2023
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income - current	-	(1,546)
Disposal of financial assets at fair value through other comprehensive income - current	-	250,823
Proceeds from capital reduction of financial assets measured at fair value through other comprehensive income	6,318	8,811
Acquisition of financial assets at fair value through profit or loss - current	(18,051)	(29,779)
Acquisition of financial assets at fair value through profit or loss - non-current	(6,000)	-
Acquisition of financial assets at fair value through other comprehensive income - non-current	(260,000)	(80,000)
Acquisition of investments accounted for under the equity method	(9,342)	-
Disposal of investments accounted for under the equity method	2,202	-
Acquisition of net cash inflow from subsidiary	66,295	-
Acquisition of property, plant and equipment	(236,565)	(169,356)
Disposal of property, plant and equipment	3,930	190
Decrease (increase) in refundable deposits	21,191	(6,225)
Acquisition of intangible assets	(2,534)	(3,417)
Decrease (increase) in other non-current assets	(5,148)	2,184
Increase in prepayments for business facilities	(24,495)	(9,742)
Net cash inflow (outflow) from investing activities	(462,199)	(38,057)
Cash flows from financing activities:		
Increase in short-term loans	1,680,000	980,000
Repayment of short-term loans	(1,097,000)	(1,397,000)
Long-term borrowings	-	100,000
Repayments of long-term loans	(151,681)	(12,500)
Exercise of disgorgement	34	-
Repayment of lease principal	(27,877)	(19,989)
Cash dividends paid	(202,293)	(202,293)
Net cash inflow (outflow) from financing activities	201,183	(551,782)
Effect of exchange rate changes	15,406	(8,704)
Increase (decrease) in cash and cash equivalents	417,623	(108,194)
Cash and cash equivalents, beginning of the year	1,124,174	1,232,368
Cash and cash equivalents, end of the year	$ 1,541,797	1,124,174

(Please refer to the attached notes of the consolidated financial statements for details)

Chairman: Dr. DJ Zheng **Manager: Shi-Dong Lin** **Accounting Manager: Pei-Ling Li**

APAQ TECHNOLOGY CO., LTD. and Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2024, and 2023
(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

I. Company History

APAQ TECHNOLOGY CO., LTD. (hereinafter referred to as the "Company") was established on December 23, 2005 with the registered address at 4F., No. 2 and 6, Kedong 3rd Rd., Zhunan Township, Miaoli County. The Company's shares have been listed and traded at TWSE since December 9, 2014.

The Company and its subsidiaries (hereinafter collectively referred to as the "Group") are primarily engaged in the research, development, manufacturing, and sales of electronic components. The principal products include ultra-miniature, high-temperature-resistant, long-life, low-impedance electrolytic capacitors, as well as the development and production of high-voltage capacitors, chip capacitors, organic semiconductor solid capacitors, and high-energy storage capacitors in collaboration with customers.

II. Date and Procedure for Approval of Financial Statements

The consolidated financial statements were approved and issued on February 26, 2025, by the Board of Directors.

III. Application of New and Amended Standards and Interpretations

(I) Impact of adopting newly issued or amended standards and interpretations endorsed by the Financial Supervisory Commission (referred to as "FSC")

Effective January 1, 2024, the Group has applied the following newly amended IFRS accounting standards without any material impact on consolidated financial statements.

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

(II) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company

The Group has evaluated that the following IFRS and IAS amendments effective on January 1, 2025, do not have a material impact on the consolidated financial statements.

- Amendment to IAS 21 "The Effects of Changes in Foreign Exchange Rates"

(III) Newly issued and amended standards and interpretations yet to be endorsed by the FSC

The International Accounting Standards Board has issued and amended standards and interpretations that have not yet been approved by FSC. The following are relevant to the Group:

New and Amended Standards	Main Amendment Content	Effective Date Released by the Board of Directors
IAS 18 "Presentation and Disclosure of Financial Statements"	The new standards introduce three types of income and expenses, two subtotals on the income statement, and a single footnote on management performance measurement. These three amendments and enhancements to how information is segmented in financial statements lay the foundation for providing users with better and more consistent information, and will impact all companies. • A more structured income statement: According to current standards, companies use different formats to express their financial performance, making it difficult for investors to compare the financial performance of different companies. The new standards adopt a more structured income statement, introducing a new subtotal called "operating profit", and stipulate that all revenues and expenses be classified into three new categories based on the Company's main business activities. • Management Performance Measure (MPM): The new standards introduce the definition of management performance measurement and require companies to explain in a single footnote in the financial statements the usefulness of each measurement indicator, how it is	January 1, 2027

New and Amended Standards	Main Amendment Content	Effective Date Released by the Board of Directors
	calculated, and how the measurement indicator is adjusted for amounts recognized in accordance with IFRS. • More detailed information: The new standards include instructions on how companies can enhance the grouping of information in financial statements. This includes guidance on whether the information should be included in the primary financial statements or further disaggregated in the notes.	

The Group is currently evaluating the impact of the above criteria and interpretations on the financial condition and operating results of the Group. The relevant impact will be disclosed upon completion of the evaluation.

The Group has evaluated that the following newly released and amended standards which are yet to be endorsed do not have material impact on the 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
- IFRS 19 “Updating the Subsidiaries without Public Accountability: Disclosures”
- Amendment to IFRS 9 and IFRS 7 “Amendments to Classification and Measurement of Financial Instruments”
- Annual Improvement of IFRS
- Amendments to IFRS 9 and IFRS 7 “Contracts Relying on Nature for Power Generation”

IV. Summary of Significant Accounting Policies

(I) Statement of compliance

The consolidated financial statements have been prepared in conformity with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” (hereinafter referred to as the “Preparation Regulations”) and IFRS, IAS, IFRIC interpretations and SIC interpretations endorsed and issued into effect by the Financial Supervisory Commission, Executive Yuan (hereinafter referred to as "IFRSs").

(II) Preparation basis

1. Basis of measurement

Except for the financial assets measured at fair value through other comprehensive income, the consolidated financial statements have been prepared under the historical cost convention.

(1) Financial assets measured at fair value through profit or loss in accordance with fair value measurement;

(2) Financial assets measured at fair value through other comprehensive income in accordance with fair value measurement;

2. Functional currency and presentation currency

The Group takes the currency of the primary economic environment in which each entity operates as the functional currency. The Consolidated Financial Statements are presented in the New Taiwan dollar, the Company's functional currency. The unit for all amounts expressed are in thousands of NTD unless otherwise stated.

(III) Basis of consolidation

1. Basis for preparation of consolidated financial statements

All subsidiaries are included in the consolidated financial statements. Subsidiaries are all entities controlled by the Company.

The Company controls an entity when it is exposed, 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.

Consolidation of subsidiaries begins from the date the Company obtains control of the subsidiaries and ceases when the Company loses control of the subsidiaries. Inter-company transactions, balances and unrealized gains or losses on transactions between entities within the consolidated companies are eliminated while compiling the consolidated financial statements.

Accounting policies of subsidiaries have been adjusted so that they are consistent with that of the Group.

Changes in the Group's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners.

2. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of Subsidiaries	Business Activities	Percentage of Ownership 2024.12.31	Percentage of Ownership 2023.12.31	Explanation
The Company	APAQ Investments Limited (APAQ Samoa)	Investment holding company	100%	100%	
APAQ Samoa	Apaq Technology (Wuxi) Co., Ltd. (Apaq Wuxi)	Production and sales of electronic products	100%	100%	
The Company	APAQ Technology (Hubei) Co., Ltd. (APAQ Hubei)	Production and sales of electronic products	100%	100%	
The Company	AiPAQ Technology Co., Ltd (AiPAQ)	R&D and sales of electronic products	52%	30%	Note

Note: The Group acquired control over the company on February 15, 2024, and from that date onwards, the company has been included in the consolidated financial statements.

3. Subsidiaries not included in the consolidated financial statements: None.

(IV) Foreign currency

1. Foreign currency transaction

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary items are converted into functional currency at the end of each subsequent date of financial statements (hereinafter referred to as the reporting date) at the exchange rate on that day.

Foreign currency items measured at fair value are re-translated into functional currency according to the exchange rate on the date of fair value, and foreign currency non-currency items measured through historical cost will be translated according to the exchange rate on the date of transaction.

Foreign currency exchange differences arising from conversion are generally recognized in profit or loss, but equity instruments designated as fair value through other comprehensive income are recognized in other comprehensive income.

2. Foreign operations

Assets and liabilities of foreign operations are converted to NTD (representation currency of the consolidated financial statements) at the exchange rate on the reporting date. All income and expense items are converted to NTD at the current average exchange rate, and the difference is recognized as other comprehensive income.

(V) Classification of current and non-current items

Assets that meet one of the following criteria by the Group are classified as current assets; otherwise, they are classified as non-current assets:

1. Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
2. Assets held mainly for trading purposes;
3. Assets that are expected to be realized within twelve months from the balance sheet date; or
4. Cash and cash equivalents, excluding restricted cash and cash equivalents (as defined in IAS 7) and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

Liabilities that meet one of the following criteria by the Group are classified as current liabilities; otherwise, they are classified as non-current liabilities:

1. Liabilities that are expected to be paid off within the normal operating cycle;
2. Liabilities arising mainly from trading activities;
3. Liabilities that are to be paid off within twelve months from the balance sheet date; or
4. During the reporting period, there is no right to defer the repayment of the debt for at least twelve months after the end of the reporting period.

(VI) Cash and cash equivalents

Cash includes cash on hand and demand deposits. Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(VII) Financial instruments

The accounts receivable and debt securities issued were originally recognized when they were generated. All other financial assets and financial liabilities were recognized when the Group became a party to the financial instrument contract. Financial assets that are not measured at fair value through profit or loss (other than accounts receivable that do not contain a significant financing component) or financial liabilities are originally measured at fair value plus the transaction costs directly attributable to the acquisition or issuance. Accounts receivable that does not contain significant financial components are initially measured at transaction prices.

1. Financial assets

For the purchase or sale of financial assets that conforms to customary transactions, the Group consistently treats all purchases and sales of financial assets classified according to the accounting treatment based on the transaction date consistently.

Financial assets are classified into the following categories: financial assets measured at amortized cost and equity instrument investment measured at fair value through other comprehensive income.

The Group shall reclassify all affected financial assets only when it changes its business model for managing its financial assets from the next reporting period.

(1) Financial assets at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as measured at fair value through profit and loss:

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

A financial asset measured at amortized cost is subsequently recognized at their initial value, plus any directly attributable transaction costs using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign currency profit or loss and impairment loss are recognized as profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

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

The Group may make an irrevocable choice at the time of initial recognition to present the subsequent fair value changes of the equity instrument investment not held for trading in other comprehensive income. The aforementioned selections are made on an instrument-by-instrument basis.

An investment through equity instrument is subsequently measured at fair value. Dividend income (unless it clearly represents the recovery of part of the investment cost) is recognized in profit or loss. The remaining net profit or loss is recognized as other comprehensive income and is not reclassified to profit or loss.

Dividend income derived from equity investments is recognized on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

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

Financial assets that are not measured at amortized cost or fair value through other comprehensive income, are measured at fair value through profit or loss, including derivative financial assets. At the time of initial recognition, the Group may irrevocably designate financial assets that meet the criteria for measurement at amortized cost or at fair value through other comprehensive income as financial assets at fair value through profit or loss in order to eliminate or materially reduce the accounting misalignment.

The assets are subsequently measured at fair value, and any net profit or loss (including any dividend and interest income) is recognized in profit or loss.

(4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable (including related party), other receivables, refundable deposit).

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 is always measured at an amount equal to lifetime ECL.

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 past due.

The Group considers a financial asset to be in default when the financial asset is more than 90 days past due and 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.

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. 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 asset.

The Group evaluates whether there is credit impairment in measuring financial assets through amortized cost on every reporting date. When there is one or more events arising that will bring unfavorable influence to expected future cash flow, there is already credit impairment to the financial asset. Evidence of credit impairment of financial assets includes the observable data of the following matters:

- 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 due to financial difficulties.

The allowance loss of financial assets measured through amortized cost is deducted from the carrying amount of assets.

The gross carrying amount of a financial asset is written off either partially or in full to the extent that there is no realistic prospect of recovery. The Group analyzes the timing and amount of the write-off individually on the basis of whether it can reasonably be expected to be recovered. The Group expects that the amount written off will not be materially reversed. 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

Financial assets are derecognized when the contractual rights of the cash flows from the assets expire, or when the Group transfers substantially all the risks and rewards of ownership of the financial assets, or when the Group has neither transferred nor retained ownership of all risks and rewards or control over said financial assets.

When the Group signs a transaction to transfer financial assets, if it retains all or almost all risks and rewards of ownership of the transferred assets, it will continue to be recognized on the balance sheet.

2. Financial liabilities and equity instruments

(1) Classification of liabilities or equities

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

(2) Equity transactions

Equity instruments refer to any contracts containing the Group's residual interest after subtracting liabilities from assets. The equity instrument issued by the Group shall be recognized by the payment net of the direct cost of issuance.

(3) Treasury shares

When buying back the equity instruments recognized by the Group, the consideration paid (including directly attributable costs) is recognized as a decrease in equity. The repurchased shares are classified as treasury shares. For subsequent sales or re-issuance of treasury shares, the amount received is recognized as an increase in equity, and the remaining or loss generated by the transaction is recognized as a capital reserve or retained surplus (if the capital reserve is insufficient for offsetting).

(4) Financial liabilities

Financial liabilities are classified as amortized costs or measured at fair value through profit or loss. Financial liabilities are classified as measured at fair value through profit or loss if they are held for trading, derivatives, or designated at initial recognition. Financial liabilities measured at fair value through profit or loss are measured at fair value. All related net benefits and losses, including any interest expenses, are recognized as profit or loss.

Other financial liabilities are measured at amortized cost by the effective interest method. Interest income and foreign currency profit or loss are recognized as profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(5) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligation has been discharged or cancelled or has expired. When the terms of financial liabilities are modified and the cash flow of the modified liabilities is significantly different, the original financial liabilities are excluded, and the new financial liabilities are recognized at fair value based on the revised terms.

When derecognizing financial liabilities, the difference between the carrying amount of a financial liability and the consideration paid (including all transferred non-cash assets or liabilities) is recognized in non-operating income and expenses.

(6) Offsetting of financial assets and liabilities

The Group presents financial assets and liabilities on a net basis when the Group has the legally enforceable right to offset and intends to settle such financial assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

3. Derivative financial instruments

Embedded derivatives are separated from the host contract when certain conditions are met, and the host contract is not a financial asset. Derivatives are initially recognized at fair value; they are subsequently measured at fair value, with gains or losses arising from remeasurement recognized directly in profit or loss.

(VIII) Inventories

Inventories are measured at the lower of cost or net realizable value. The cost of inventories is based on the standard cost method and includes expenditure and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(IX) Investments in associates

Associates refer to those over which the Group has significant influence over its financial and operating policies without control or joint control.

The Group adopts the equity method to deal with the interests of associates. Under the equity method, investment is initially recognized at cost, and investment costs includes transaction costs. The carrying amount of invested associates includes identified goodwill at the time of investment less any cumulative impairment.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align their accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When changes in the equity other than profit or loss and other comprehensive income incur to associates that does not affect the Group's shareholding ratio, the Group will recognize the changes in equity attributable to the Group's share of the associates as capital reserve based on the shareholding ratio.

Unrealized profit or loss resulting from the transaction between the Group and associates shall be recognized in the financial statements only to the extent unrelated to the investor's interests in associates. When the Group's share of losses exceeds its interest in associates, the carrying amount of that investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has a present legal or constructive obligation or has made payments on behalf of the investees.

(X) Property, plant and equipment

1. Recognition and measurement

Property, plant and equipment are measured by cost (including capitalized borrowing costs) less accumulated depreciation and any accumulated impairment.

As the useful life of property, plant and equipment varies, they are deemed as independent items (main components) for treatment.

The gain or loss arising from the disposal of an item of property, plant and equipment shall be recognized as non-operating income and expenses.

2. Subsequent cost

   Subsequent cost is only capitalized when the future economic benefits are likely to flow into the Group.

3. Depreciation

   Depreciation is calculated based on the cost of assets minus the residual value, and the straight-line method is recognized in profit or loss within the estimated useful life of each component.

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

   (1) Buildings: 10-20 years

   (2) Machinery and equipment: 4-10 years

   (3) Other equipment and others: 4-8 years

   Buildings constitute mainly buildings, air-conditioning equipment and related engineering. Each constituent is depreciated based on its useful life of 20 years and 10 years, respectively.

   The Group reviews the depreciation methods, useful lives, and residual values on each reporting date and makes adjustments when necessary.

(XI) Leases

The Group evaluates whether the contract is a lease or contains a lease upon the conclusion of the contract. If the contract transfers control over the use of the identified assets for a period of time in exchange for consideration, the contract is a lease or contains a lease.

Lessee

The Group recognizes the right-of-use asset and lease liability upon the inception of the lease. The right-of-use asset is initially measured at cost, which includes the original measured amount of the lease liability, adjusts any lease payments paid on or before the inception of the lease and adds the original direct cost incurred and the estimated cost of dismantling, removing the underlying asset and restoring its location or underlying asset, and deducting any lease incentive.

The right-of-use asset is subsequently depreciated on a straight-line basis between the inception of the lease and the end of the end-of-life of the right-of-use asset or the end of the lease period. In addition, the Group regularly assesses whether the right-of-use asset is impaired and treats any impairment loss that has occurred, as well as cooperating to adjust the right-of-use asset when the lease liability is remeasured.

Lease liabilities are originally measured by the present value of the lease payments that have not been paid at the inception of the lease. If the implicit interest rate of the lease is easy to determine, it is applied as the discount rate. If it is not easy to determine, the incremental borrowing rate of the Group is used. Generally speaking, the Group adopts the incremental borrowing rate as the discount rate.

Lease payments in the measurement of lease liabilities include:

1. Fixed benefits, including substantial fixed benefits;
2. Variable lease payments dependent upon certain indicators or rates are measured by the indicators or rates used at the inception of the lease;
3. The residual value guarantee expected to be paid; and
4. When reasonably determined that the purchase option or lease termination option will be exercised, the exercise price or the penalty payable.

The lease liability is subsequently accrued by the effective interest method, and the amount is measured when the following occurs:

1. Changes in the indicator or rate used to determine lease payments result in changes in future lease payments;
2. Changes in the residual value guarantee expected to be paid;
3. Changes in the evaluation of the underlying asset purchase option;
4. Changes in the estimate of whether to exercise the extension or termination option and the assessment of the lease period;
5. Modification of lease subject, scope or other terms.

When the lease liability is remeasured due to changes in the aforementioned indicator or rate used to determine lease payments, changes in the residual value guarantee, and changes in the evaluation of purchase, extension or termination options, the carrying amount of the right-of-use asset is adjusted accordingly. When the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasured amount is recognized in profit or loss.

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

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

For the lease of low-value underlying assets leased by the office premises, the Group chooses not to recognize the right-of-use assets and lease liabilities, but the related lease payments are recognized on a straight-line basis as expenses during the lease period.

(XII) Intangible assets

1. Recognition and measurement

   Expenditures related to research activities are recognized as profit or loss when incurred.

   Development expenditures are only capitalized when they can be reliably measured, when the technical or commercial feasibility of the product or process has been achieved, when future economic benefits are likely to flow into the Group, and when the Group intends and has sufficient resources to complete the development for use or for sale. Other development expenditures are recognized in profit or loss when incurred. After the initial recognition, capitalized development expenditures are measured by its cost less accumulated amortization and accumulated impairment.

2. Subsequent expenditures

   Subsequent expenditures are capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenses are recognized in profit or loss when such expenses are incurred.

3. Amortization

   Amortization is calculated with the asset cost less the estimated residual value and starting from the available-for-use state of the intangible asset, the straight-line approach is used to recognize it in profit or loss for its estimated useful life.

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

(1) Computer software: 3 years

(2) Royalty fees: 12 years

The Group reviews the amortization method, useful life and residual value of intangible assets on each reporting date and makes appropriate adjustments when necessary.

(XIII) Impairment of non-financial assets

The Group assesses on each reporting day whether there is any indication that the carrying amount of non-financial assets (other than inventories and deferred income tax assets) may be impaired. If there is any sign of impairment, an estimate is made of its recoverable amount. An impairment test is conducted on goodwill on a yearly basis.

For the purpose of impairment test, a group of assets whose cash inflows are largely independent of the cash inflows of other individual assets or asset groups is used as the smallest identifiable asset group. Goodwill acquired in a business combination is allocated to each cash-generating unit or group of cash-generating units that is expected to benefit from the combined effect of the merger.

The recoverable amount for an individual asset or a cash-generating unit is the higher of its fair value, less costs to sell, and its value in use. When evaluating the value in use, the estimated future cash flow is converted to the present value at a pre-tax discount rate, which should reflect the current market assessment of the time value of money and the specific risks for the asset or cash-generating unit.

If the recoverable amount of an individual asset or cash-generating unit is lower than the carrying amount, an impairment loss is recognized.

Impairment losses are immediately recognized in profit or loss, and are first reduced by the carrying amount of the amortized goodwill of the cash generating unit, followed by a proportionate reduction in the carrying amount of each other asset within the unit.

Non-financial assets are reversed only in the range not exceeding the carrying amount (less depreciation or amortization) of the asset that has not been determined during the recognition of the impairment loss in the previous year.

(XIV) Revenue recognition

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

1. Sales of goods

   The Group engages in business such as research, development, production, manufacturing and sales of electronic components. The Group recognizes revenue when control of the products has transferred. The control of the products has transferred 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.

   A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

2. Financial 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.

(XV) Government grants

The Group recognizes unconditional government grants as other income when they become receivable. Government grants intended to compensate expenses incurred or losses of the Group are recognized in profit or loss in the same period as relevant expenses on a systematic basis.

(XVI) Employee benefits

1. Defined contribution plans

   Obligations for contributions to defined contribution pension plans are recognized as expenses for the periods during which services are rendered by employees.

2. Short-term employee benefits

   Obligations for short-term employee benefits are recognized as expenses for the periods during which services are rendered. 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.

(XVII) Share-based compensation transactions

The share-based compensation agreement for equity settlement recognizes expenses at the fair value on the grant date and records them over the vesting period, thereby increasing corresponding equity during the period in which the compensation is earned. The recognized expenses are adjusted for the expected quantity of compensation that meets both service and non-market-based vesting conditions. The final amount recognized is measured based on the quantity of compensation that meets both service and non-market-based vesting conditions on the vesting date.

Non-market-based conditions related to stock-based compensation awards are already reflected in the measurement of fair value on the grant date. Therefore, there is no need to make adjustment for differences between expected and actual outcomes.

(XVIII) Income tax

Income tax expenses include both 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.

Current taxes include tax payables and tax deduction receivables on taxable gains (losses) for the year calculated using the statutory tax rate on the reporting date, as well as tax adjustments related to prior years. The amount is based on the statutory tax rate at the reporting date or the tax rate of substantive legislation to measure the best estimate of the amount expected to be paid or received.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes shall not be recognized for the exceptions below:

1. Assets and liabilities that are initially recognized but are not related to the business combination and have no effect net income or taxable gains (losses) during the transaction;
2. Temporary differences arising from equity investments in subsidiaries, associates and joint ventures, where the Company is able to control the reverse of the temporary difference and where there is a highly probability that such temporary differences will not reverse in the future; and
3. Taxable temporary difference arising from initial recognition of goodwill.

A deferred tax asset should be recognized for the carry forward of unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the unused tax credits and deductible temporary differences can be utilized. Such unused tax credits and deductible temporary differences shall also be re-evaluated every year on the financial reporting date, and adjusted based on the probability that future taxable profit will be available against which the unused tax credits and deductible temporary differences can be utilized.

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted by the reporting period.

The Group will offset the deferred income tax assets and deferred income tax liabilities when the following conditions are met at the same time:

1. Has the legally enforceable right to offset current income tax assets and current income tax liabilities; and
2. Deferred income tax assets and deferred income tax liabilities are related to one of the following taxable entities levied by the same taxation authority:
   (1) The same taxpayer; or
   (2) Different taxable entities, but each entity intends to settle the current income tax liabilities and assets on a net basis, or realize assets and settlement of liabilities at the same time in each future period when significant amounts of deferred income tax assets are expected to be recovered and the deferred income tax liabilities are expected to be settled.

(XIX) Business combinations

The Group adopts the acquisition method for every business merger. The goodwill is based on the fair value of the consideration transferred on the acquisition date, including any amount attributable to non-controlling interests of the acquired entity, net of the fair value of identifiable assets acquired and liabilities assumed (usually at fair value). If the remaining balance after deduction is negative, the Group will reassess whether all acquired assets and assumed liabilities have been correctly identified before recognizing the bargain purchase gain in the income statement.

Except for transactions related to the issuance of debt or equity instruments, the transaction costs associated with business combinations should be recognized as expenses of the Group immediately when they occur.

If the non-controlling interest of the acquired entity is a current ownership interest and its holder is entitled to a proportional share of the net assets of the enterprise at the time of liquidation, the Group will elect to measure it on a transaction-by-transaction basis at the fair value at the date of acquisition or the pro rata share of the recognized amount of the acquired entity's identifiable net assets on the basis of the current ownership instrument. Other non-controlling interests are measured at their fair value as of the acquisition date or based on other measurement bases specified by FSC or recognized international financial reporting standards.

In a phased business combination, the Group re-evaluates its previously held interest in the acquired entity at the fair value at the date of acquisition, and any benefit or loss arising therefrom is recognized as profit or loss. For changes in the value of the acquired entities that have been recognized in other comprehensive income prior to the acquisition date, they should be treated in the same manner as if the Group had directly disposed of its previously held equity. If it is appropriate to reclassify the equity to profit or loss when disposing of it, then the amount should be reclassified to profit or loss.

(XX) Earnings per Share (EPS)

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. The calculation of basic earnings per share is based on the profit attributable to the ordinary shareholders of the Group divided by the weighted-average number of ordinary shares outstanding. The calculation of diluted earnings per share is based on 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 dilutive potential ordinary shares. The Group's dilutive potential ordinary shares include convertible bonds payable and employee remuneration through the issuance of shares.

(XXI) Segment information

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 to assess its performance. Each operating segment consists of standalone financial information.

V. Significant Accounting Judgments, Estimates and Key Sources of Uncertainty over Assumptions

When preparing the consolidated financial statements, the management must make judgments and estimates regarding the future, including climate-related risks and opportunities, which may influence the adoption of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. There may be differences between actual results and estimates.

Management continually reviews estimates and underlying assumptions for consistency with the Group's risk management and climate-related commitments, and changes in the estimates are deferred during the period of change and in the future period affected.

Information of critical judgments in applying accounting policies that have significant impact on these consolidated financial statements is as follows:

Whether it has substantial control on the investee, please refer to Note VI(VI).

The following assumptions and uncertainties in the estimates carry out a significant risk of material adjustments to the carrying amounts of assets and liabilities in the next financial year, the relevant information of which is as follows:

Inventories are stated at the lower of cost or net realizable value, and the Group uses judgments and estimates to determine the net realizable value of inventory for obsolescence and unmarketable items at the reporting date. It also writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on the assumptions of the estimated selling price of the products within a specific time horizon. However, due to the rapid industrial transformation, the above estimation may have a significant change. The aforementioned uncertainties of assumption and estimation have a significant risk of causing a material adjustment to the asset's carrying amount in the next fiscal year. Please refer to Note VI(V) for further information of the valuation of inventories.

The accounting policy and disclosure of the Group include adopting fair value to measure financial and non-financial assets and liabilities. The Group's finance department determines the fair value using the independent data sources which reflect the current market condition and confirming the data available are independent, reliable, in consistent with other sources and represent the exercisable price. The Group also periodically assesses the evaluation model, and updates inputs together with any other necessary fair value adjustment for the evaluation model in order to ensure the reasonableness of the results of the valuation.

The Group evaluates the assets and liabilities using the observable market inputs. The hierarchy of the fair value depends on the valuation techniques used and is categorized as follows:

(I) Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.

(II) Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

(III) Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

In the event of a transfer between fair value levels, the Group shall recognize the transfer as at the reporting date.

For the assumption used in fair value measurement, please refer to Note VI (XXIII) Financial Instruments.

VI. Details of Significant Accounts

(I) Cash and cash equivalents

	2024.12.31	2023.12.31
Cash and demand deposit	$ 1,525,405	963,055
Time deposit	16,392	161,119
Cash and cash equivalents	**$ 1,541,797**	**1,124,174**

Please refer to Note VI (XXIII) for currency risk and sensitivity analysis disclosure of the financial assets and liabilities.

Please refer to Note VI(XXIV) for the disclosure of credit risks.

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

1. Current:

	2024.12.31	2023.12.31
Financial assets mandatorily measured at fair value through profit or loss:		
U.S. Treasury bonds	$ 47,079	29,775

In January 2024 and November 2023, the Group purchased US Treasury bonds with face values of US$600 thousand and US$1,000 thousand and acquired them at a fair values of US$18,051 thousand and US$29,779 thousand, respectively.

2. Non-current:

	2024.12.31
Financial assets mandatorily measured at fair value through profit or loss:	
Domestic limited partnership company	
AyeVest Investment Company Limited Partnership (AyeVest VC)	$ 5,409

Please refer to Note VI(XXII) for details on the amount of profit or loss recognized from remeasurement at fair value.

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

	2024.12.31	2023.12.31
Domestic and foreign unlisted common stocks -		
Foxfortune Technology Ventures Limited	$ 21,878	25,147
Inpaq Korea Co., Ltd. (Inpaq Korea)	2,517	4,196
Element I Venture Capital Co., Ltd. (Element I VC)	13,305	11,696
Kuan Kun Electronic Enterprise Co., Ltd. (Kuan Kun Electronic)	158,114	76,424
AICP Technology Corporation (AICP Technology)	2,119	2,777
IPU Semiconductor Co., Ltd. (IPU Semiconductor)	32,625	23,597
WK Technology Fund IX II Ltd. (WK Technology Fund IX II)	26,430	27,240
I-See Vision Technology Inc. (I-See Technology)	32,286	41,880
Syntec Technology Co., Ltd. (Syntec Technology)	695,576	-
Phoenix VI Innovation & Venture Capital Co., Ltd (Phoenix VI)	43,350	-
	$ 1,028,200	212,957

Information on major equity investments denominated in foreign currencies as of the reporting date is as follows:

	2024.12.31			2023.12.31		
	Foreign currency	**Exchange rate**	**NTD**	**Foreign currency**	**Exchange rate**	**NTD**
USD	$ 745	32.785	24,395	956	30.705	29,343

Equity instruments held by the Group are strategic long-term investments and not for trading purposes, so they have been designated to be measured at fair value through other comprehensive income.

The Group acquired 1,400 thousand shares of Syntec Technology Co., Ltd. in May 2024, with a total investment amount of NT$210,000 thousand.

The Group invested 5,000 thousand shares of Phoenix VI Innovation & Venture Capital Co., Ltd (Phoenix VI), in May 2024, with a total investment amount of NT$50,000 thousand.

Foxfortune Technology Ventures Limited reduced its capital by 20% and 22% and returned NT$5,118 thousand and NT$6,811 thousand to the Company in July 2024 and May 2023, respectively, as resolved by the Board of Directors.

Element I Venture Capital Co., Ltd. reduced its capital and returned NT$1,200 thousand and NT$2,000 thousand to the Company in June 2024 and May 2023, respectively, as resolved by the shareholders' meeting.

The Company recognized dividend income of NT$1,621 thousand and NT$6,501 thousand respectively for the aforementioned investments in equity instruments designated at fair value through other comprehensive income for the years ended December 31, 2024, and 2023, respectively. Please refer to Note VI(XXII) for details.

(IV) Notes and accounts receivable (including related parties)

	2024.12.31	**2023.12.31**
Notes receivable	$ 49,086	49,562
Accounts receivable	1,500,079	1,166,299
Accounts receivable - related parties	73,360	60,048
	$ 1,622,525	**1,275,909**

The Group adopts a simplified method to estimate the expected credit loss for all receivables (including related parties), that is, using the lifetime expected credit loss. For this purpose, these receivables are categorized based on common credit risk characteristics of customers' capability to pay for amount due in accordance with the contracts with forward-looking information incorporated, including general economic and related industry information.

	2024.12.31		
	Carrying amount of accounts receivable (including related parties)	**Ratio of loss on lifetime expected credit**	**Allowance of lifetime expected credit loss**
Not past due	$ 1,608,945	0%	-
Past due 1-90 days	13,580	0%	-
Total	**$ 1,622,525**		**-**

	2023.12.31		
	Carrying amount of accounts receivable (including related parties)	**Ratio of loss on lifetime expected credit**	**Allowance of lifetime expected credit loss**
Not past due	$ 1,265,569	0%	-
Past due 1-90 days	10,340	0%	-
Total	**$ 1,275,909**		**-**

No impairment loss has been provided for receivables (including related parties) for the years ended December 31, 2024, and 2023.

Please refer to Note VI(XXIV) for details of remaining credit risk information.

(V) Inventories, net

	2024.12.31	**2023.12.31**
Raw materials	$ 206,937	157,756
Work in process and semi-finished products	97,254	79,979
Finished goods and commodity	424,027	447,019
	$ 728,218	**684,754**

The details of operating costs are as follows:

		2024	2023
Cost of goods sold	$	2,408,458	2,124,529
Loss on market value decline and obsolete and slow-moving inventories		41,966	13,531
	$	2,450,424	2,138,060

As of December 31, 2024, and 2023, the inventories of the Group were not provided as pledged assets.

(VI) Investments accounted for under the equity method

Investments of the Group under equity method at financial reporting end date are individually non-significant and are listed below:

		2024.12.31	2023.12.31
Associate	$	59,077	76,665

Share attributable to the Group:

		2024	2023
Net profit (loss) for the period	$	(4,893)	(6,293)
Other comprehensive income for the period		-	-
Total comprehensive income	$	(4,893)	(6,293)

(VII) Business combinations

On February 15, 2024, the Group increased 22% ownership of AiPAQ Technology Co., Ltd. (AiPAQ) by NT$151,920 thousand in cash, resulting in the Group's ownership percentage increasing from 30% to 52% and gaining control over the company. Therefore, starting from the acquisition date, the financial statements of AiPAQ will be consolidated into the Group. In addition, the previously held equity interest in the acquired entity was remeasured at fair value, and the resulting gain of NT$30,759 thousand in profit was recognized in the current period.

AiPAQ's main business is the manufacturing and sales of electronic components. It is expected to expand the Group's market share in the relevant field.

The main categories of consideration for the transfer, as well as the assets acquired and liabilities assumed on the acquisition date, are as follows:

1. The main categories of consideration for the transfer are as follows on the acquisition date fair value:

Long-term equity investment - based on remeasured figures	$	54,000
Cash		151,920
Total	**$**	**205,920**

2. Acquisition of identifiable assets and liabilities

The fair value details of identifiable assets acquired, and liabilities assumed on the acquisition date are as follows:

Cash and cash equivalents	$	218,215
Accounts receivable		737
Other current assets		4,421
Property, plant and equipment		74,646
Right-of-use assets		15,068
Other non-current assets		4,756
Accounts payable		(704)
Other current liabilities		(23,669)
Fair value of identifiable net assets	**$**	**293,470**

3. The goodwill recognized due to the capital increase obtained by acquiring AiPAQ is as follows:

Transfer consideration	$	205,920
Add: Non-controlling interests (measured based on the proportion of identifiable net assets)		140,865
Less: Fair value of identifiable net assets		(293,470)
Goodwill	**$**	**53,315**

(VIII) Property, plant and equipment

		Houses and buildings	Machinery and equipment	Other equipment and others	Construction in progress and equipment to be tested	Total
Cost:						
Balance as of January 1, 2024	$	374,858	2,189,675	218,193	146,742	2,929,468
Acquisition of Merger (Note VI(VII))		-	-	-	74,646	74,646
Additions		4,992	58,439	37,802	135,261	236,494
Disposals and obsolescence		-	(168,987)	(1,960)	-	(170,947)

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries (continued)

	Houses and buildings	Machinery and equipment	Other equipment and others	Construction in progress and equipment to be tested	Total
Reclassification	-	123,151	11,417	(137,162)	(2,594)
Effect of exchange rate changes	19,534	109,617	7,016	7,690	143,857
Balance as of December 31, 2024	**$ 399,384**	**2,311,895**	**272,468**	**227,177**	**3,210,924**
Balance as of January 1, 2023	$ 380,034	2,066,646	203,504	174,483	2,824,667
Additions	610	68,896	14,290	95,034	178,830
Disposals and obsolescence	-	(25,177)	(2,055)	-	(27,232)
Transfer fees	-	-	-	(360)	(360)
Reclassification	623	114,886	4,741	(120,250)	-
Effect of exchange rate changes	(6,409)	(35,576)	(2,287)	(2,165)	(46,437)
Balance as of December 31, 2023	**$ 374,858**	**2,189,675**	**218,193**	**146,742**	**2,929,468**
Depreciation:					
Balance as of January 1, 2024	$ 214,105	1,259,269	160,055	-	1,633,429
Depreciation for the period	22,744	172,678	32,025	-	227,447
Disposals and obsolescence	-	(165,389)	(1,875)	-	(167,264)
Effect of exchange rate changes	11,260	62,626	5,479	-	79,365
Balance as of December 31, 2024	**$ 248,109**	**1,329,184**	**195,684**	**-**	**1,772,977**
Balance as of January 1, 2023	$ 194,791	1,137,524	129,133	-	1,461,448
Depreciation for the period	22,803	165,318	34,686	-	222,807
Disposals and obsolescence	-	(23,897)	(2,012)	-	(25,909)
Effect of exchange rate changes	(3,489)	(19,676)	(1,752)	-	(24,917)
Balance as of December 31, 2023	**$ 214,105**	**1,259,269**	**160,055**	**-**	**1,633,429**
Carrying Amount:					
December 31, 2024	**$ 151,275**	**982,711**	**76,784**	**227,177**	**1,437,947**
January 1, 2023	**$ 185,243**	**929,122**	**74,371**	**174,483**	**1,363,219**
December 31, 2023	**$ 160,753**	**930,406**	**58,138**	**146,742**	**1,296,039**

(IX) Right-of-use assets

		Land use rights	Houses and buildings	Transportation equipment	Total
Cost of right-of-use assets:					
Balance as of January 1, 2024	$	11,598	46,006	1,567	59,171
Acquisition of Merger (Note VI(VII))		-	15,323	-	15,323
Additions		-	54,780	1,610	56,390
Decrease (contract matured or early contract termination)		-	(30,558)	(1,567)	(32,125)
Effect of exchange rate changes		605	645	-	1,250
Balance as of December 31, 2024	$	12,203	86,196	1,610	100,009
Balance as of January 1, 2023	$	11,798	32,578	1,567	45,943
Additions		-	29,130	-	29,130
Decrease (contract matured or early contract termination)		-	(15,490)	-	(15,490)
Effect of exchange rate changes		(200)	(212)	-	(412)
Balance as of December 31, 2023	$	11,598	46,006	1,567	59,171
Depreciation of right-of-use assets:					
Balance as of January 1, 2024	$	1,437	21,674	1,306	24,417
Acquisition of Merger (Note VI(VII))		-	255	-	255
Depreciation for the period		301	27,714	529	28,544
Decrease (contract matured or early contract termination)		-	(30,222)	(1,567)	(31,789)
Effect of exchange rate changes		77	162	-	239
Balance as of December 31, 2024	$	1,815	19,583	268	21,666
Balance as of January 1, 2023	$	1,169	18,004	784	19,957
Depreciation for the period		290	19,427	522	20,239
Decrease (contract matured or early contract termination)		-	(15,703)	-	(15,703)
Effect of exchange rate changes		(22)	(54)	-	(76)
Balance as of December 31, 2023	$	1,437	21,674	1,306	24,417
Carrying amount of right-of-use assets:					
December 31, 2024	$	10,388	66,613	1,342	78,343
January 1, 2023	$	10,629	14,574	783	25,986
December 31, 2023	$	10,161	24,332	261	34,754

(X) Other assets - current and non-current

		2024.12.31	2023.12.31
Business tax credit	$	82,732	17,550
Prepayments for business facilities		38,230	11,573
Prepaid expenses		29,698	24,413
Long-term deferred expenses		12,342	6,764
Prepayments for goods and others		13,248	11,522
	$	176,250	71,822

(XI) Intangible assets

The amount of the Group's cost and amortization of intangible asset for the years ended December 31, 2024, and 2023 is as follows:

	Goodwill	Computer software	Royalty fees	Total
Cost:				
Balance as of January 1, 2024	$ -	12,170	45,038	57,208
Acquisition of Merger (Note VI(VII))	53,315	-	-	53,315
Additions for the period	-	2,534	-	2,534
Effect of exchange rate changes	-	83	-	83
Balance as of December 31, 2024	$ 53,315	14,787	45,038	113,140
Balance as of January 1, 2023	$ -	8,775	45,038	53,813
Separate acquisition	-	3,417	-	3,417
Effect of exchange rate changes	-	(22)	-	(22)
Balance as of December 31, 2023	$ -	12,170	45,038	57,208
Amortization:				
Balance as of January 1, 2024	$ -	8,849	23,144	31,993
Amortization for the period	-	1,216	3,753	4,969
Effect of exchange rate changes	-	63	-	63
Balance as of December 31, 2024	$ -	10,128	26,897	37,025
Balance as of January 1, 2023	$ -	7,914	19,391	27,305
Amortization for the period	-	955	3,753	4,708
Effect of exchange rate changes	-	(20)	-	(20)
Balance as of December 31, 2023	$ -	8,849	23,144	31,993
Carrying Amount:				
December 31, 2024	$ 53,315	4,659	18,141	76,115
January 1, 2023	$ -	861	25,647	26,508
December 31, 2023	$ -	3,321	21,894	25,215

Impairment Testing of Goodwill

According to IAS 36, the impairment test of goodwill acquired in a business combination should be carried out at least annually, and the impairment test of goodwill is to allocate the goodwill to the cash-generating units that are expected to benefit from the synergistic effect of the merger, and the cash-generating units that can generate independent cash flows of AiPAQ itself. Hence, the impairment of goodwill is to assess whether it is necessary to provide impairment by calculating the use value and book value of AiPAQ.

The Group conducts an impairment assessment of the recoverable amount of goodwill at the end of the annual financial reporting period and uses the use value as the basis for calculating the recoverable amount. The use value is calculated on the basis of the cash flow projected by the cash generating units in the next five years, using the annual discount rate to reflect the specific risks of the relevant cash generating units.

The Group assessed the impairment of goodwill for the year ended December 31, 2024, and the recoverable amount of the estimated cash-generating units is higher than the carrying amount. Hence, there is no need to recognize the impairment loss of goodwill.

The discount rate used for the year ended December 31, 2024, is 13.12%.

The aforementioned intangible assets have not been provided as collateral for any guarantees.

(XII) Short-term loans

	2024.12.31	2023.12.31
Unsecured bank loans	$ 1,420,000	837,000
Unused limit	$ 1,112,432	1,406,408
Interest rate range	1.85%~2.13%	1.72%~1.88%

The additional amounts for the years ended December 31, 2024, and 2023 are NT$1,680,000 thousand and NT$980,000 thousand, respectively, with interest rates ranging from 1.85% to 2.13% and 1.72% to 1.88%, and maturity dates from January 2025 to March 2025 and February 2024 to March 2024, respectively. The repayment amounts are NT$1,097,000 thousand and NT$1,397,000 thousand, respectively.

(XIII) Long-term loans

	2024.12.31	2023.12.31
Unsecured bank loans	$ 310,819	462,500
Less: Due within one year	(158,634)	(152,111)
	$ 152,185	**310,389**
Unused limit	**$ 320,000**	**475,000**
Interest rate range	**1.925%~ 2.200%**	**1.80%~ 2.13%**

(XIV) Lease liabilities

The carrying amount of the Group's lease liabilities is as follows:

	2024.12.31	2023.12.31
Current	**$ 25,480**	**14,294**
Non-current	**$ 42,921**	**10,368**

For maturity analysis, please refer to Note VI (XXIII) Financial Instruments.

The amount of lease recognized in profit or loss is as follows:

	2024	2023
Interest expense of lease liabilities	**$ 990**	**210**
Expense for leases of low-value assets	**$ 76**	**74**

The amount of lease recognized in the statements of cash flows is as follows:

	2024	2023
Total cash outflow for lease	**$ 28,943**	**20,273**

1. Leasing of houses and buildings

The Group leased houses and buildings as office premises and factory buildings as of December 31, 2024, with the period of 1 to 5 years. Some leases include the option to extend for the same period when the lease expires.

Some of the aforementioned leases include the option to extend. These leases are managed by each region, so the individual terms and conditions agreed are different within the Group. These options are only enforceable by the Group, not the lessor. Where it is not possible to reasonably determine that the optional lease extension will be exercised, the payment related to the period covered by the option is not included in the lease liability.

2. Other leases

The lease period for leasing office premises of the Group is two years. These leases are for low-value assets, and the Group chooses to apply the exemption recognition requirement instead of recognizing the right-of-use assets and lease liabilities.

(XV) Employee benefits

The Group allocates 6% of each employee's monthly wages to the personal labor pension account at the Bureau of Labor Insurance, Ministry of Labor 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, Ministry of Labor without additional legal or constructive obligation. The Group's pension costs under the defined contribution plan were NT$5,793 thousand and NT$4,955 thousand for the years ended December 31, 2024, and 2023, respectively, and were contributed to the Bureau of Labor Insurance.

In addition, the pension expenses recognized by the foreign subsidiaries for the years ended December 31, 2024, and 2023 in accordance with relevant local laws and regulations were NT$1,600 thousand and NT$1,102 thousand, respectively.

(XVI) Income tax

1. Income tax expense

The amount of the Company's income tax expenses for the years ended December 31, 2024, and 2023 is as follows:

		2024	2023
Current income tax expenses			
Current income tax expenses	$	194,722	87,392
Current income tax from adjustment of prior period		(25,554)	(6,664)
Deferred income tax expense		2,013	12,684
	$	171,181	93,412

2. The amount of income tax expense recognized in other comprehensive income is as follows:

		2024	2023
Exchange differences (gains) on translation of foreign operations	$	28,101	(8,800)

3. The reconciliation of the Group's income tax expenses and income before income tax is as follows:

   The reconciliation of the Group's income tax expenses and income before income tax for the years ended December 31, 2024, and 2023 is as follows:

	2024	2023
Income before income tax	$ 682,996	421,790
Income tax at the Company's domestic tax rate	$ 136,599	84,358
Effects of different tax rates in foreign jurisdictions	32,027	11,735
Permanent difference	20,656	(3,562)
Under(Over)estimation in previous periods	(25,554)	(6,664)
Additional tax on undistributed earnings	7,453	7,545
Income tax expense	$ 171,181	93,412

4. Unrecognized deferred tax liabilities

   As of December 31, 2024, and 2023, the temporary differences associated with investments in subsidiaries were not recognized as deferred income tax liabilities as the Company plans to use undistributed earnings of the foreign subsidiaries for permanent investment rather than distribution. The relevant amounts are as follows:

	2024.12.31	2023.12.31
Undistributed earnings from subsidiaries	$ 1,414,709	1,137,522
Unrecognized deferred tax liabilities	$ (282,942)	(227,504)

5. Recognized deferred tax assets and liabilities

	2023.1.1	Recognized in profit or loss	Recognized in other comprehensive income	2023.12.31	Recognized in income statement	Recognized in other comprehensive income	2024.12.31
Assets:							
Loss for market price decline and obsolete and slow-moving inventories	$ 1,739	11,066	-	12,805	4,732	-	17,537
Unrealized expenses	20,276	(9,360)	-	10,916	(389)	-	10,527
Unrealized profit between associates	5,875	(3,861)	-	2,014	5,037	-	7,051
Financial statements translation differences of foreign operations	14,979	-	8,800	23,779	-	(23,779)	-

	2023.1.1	Recognized in profit or loss	Recognized in other comprehensive income	2023.12.31	Recognized in income statement	Recognized in other comprehensive income	2024.12.31
Unrealized exchange loss	(3,269)	7,488	-	4,219	(4,219)	-	-
Others	200	7,351	-	7,551	3,580	-	11,131
	$ 39,800	12,684	8,800	61,284	8,741	(23,779)	46,246

	2023.1.1	Recognized in profit or loss	Recognized in other comprehensive income	2023.12.31	Recognized in income statement	Recognized in other comprehensive income	2024.12.31
Liabilities:							
Financial statements translation differences of foreign operations	$ -	-	-	-	-	(4,322)	(4,322)
Unrealized exchange profit	-	-	-	-	(6,728)	-	(6,728)
	$ -	-	-	-	(6,728)	(4,322)	(11,050)

6. The ROC income tax authorities have examined the Company's income tax returns through 2022.

(XVII) Capital and other equity

1. Share capital

As of December 31, 2024, and 2023, the authorized capital of the Company amounted to NT$2,000,000 thousand, of which included the amount of NT$60,000 thousand reserved for employee share options; the paid-in capital amounted to NT$889,535 thousand for both years respectively, and at NT$10 per share.

2. Capital surplus

	2024.12.31	2023.12.31
Share premium	$ 320,766	320,766
Compensation cost of shares retained for employee subscription at cash capital increase	7,852	7,852
Subscription right to convertible corporate bonds	117	117
Treasury share transactions	3,642	3,642
Premium from conversion of corporate bonds to common shares	433,380	433,380
Changes in percentage of shareholding in long-term equity investments	2,736	2,736
Profit from exercise of disgorgement	34	-

$	768,527	768,493

In accordance with the Company Act, realized capital surplus can only be distributed as stocks or cash dividends in accordance with shareholders' original shareholding percentages after offsetting losses. The above-mentioned realized capital surplus includes amount in excess of the face amount during shares issuance and acceptance of bestowal. In accordance with the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", the total of capital surplus appropriated for capital every year shall not exceed 10% of the paid-in capital.

The capital surplus generated by the exercise of the disgorgement may only be used to offset losses.

3. Retained earnings

(1) Legal reserve

If the Company incurs no loss, the reserve may be distributed as cash or share dividends for the portion in excess of 25% of the paid-in capital by resolution of the shareholders' meeting.

(2) Special reserve

By choosing to apply exemptions granted under IFRS 1 during the Company's first-time adoption of the IFRSs endorsed by the FSC, cumulative translation adjustments under shareholders' equity shall be reclassified as retained earnings at the adoption date. The increase in retained earnings occurring before the adoption date due to the first-time adoption of the IFRSs endorsed by the FSC amounted to NT$6,954 thousand. In accordance with Letter No. Financial-Supervisory-Securities-Corporate-1010012865 issued by the FSC, the net increase of NT$6,236 thousand in retained earnings due to the first-time adoption of the IFRSs endorsed by the FSC shall be reclassified as a special reserve during earnings distribution, and when the relevant asset is used, disposed of, or reclassified, this special reserve shall be reversed as distributable earnings proportionately. The carrying amount of special reserve generated due to the aforementioned reasons amounted to NT$6,236 thousand as of December 31, 2024.

In accordance with the guidelines of the above Ruling, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as a special reserve during earnings distribution. The amount to be reclassified should be equal to the difference between the total net current-period reduction of special reserve resulting from the first-time adoption of the IFRSs endorsed by the FSC and the carrying amount of other shareholders’ equity as stated above. Similarly, a portion of undistributed prior-period earnings shall be reclassified as a special reserve (which does not qualify for earnings distribution) to account for cumulative changes to other shareholders’ equity pertaining to prior periods due to the first-time adoption of the IFRSs endorsed by the FSC. Amounts of subsequent reversals pertaining to the net reduction of other shareholders’ equity shall qualify for additional distributions.

(3) Earnings distribution

According to the Company’s Articles of Incorporation, if the Company shows a year-end profit, it shall firstly make up any accumulated losses. Thereafter, a 10% appropriation of the remaining amount shall be set aside for legal reserve, unless the amount in the legal reserve is already equal to or greater than the total paid-in capital. Thereafter, an amount shall be set aside or reversed as a special reserve in accordance with related laws, regulations, or provisions of the competent authorities. Distribution of the remaining profit after setting aside the aforementioned amounts, together with the balance of the unappropriated retained earnings of the previous year as dividends to shareholders, to be proposed by the Board of Directors to be approved at the shareholders’ meeting.

The Company operates in an industry with rapid changes, intensive capital and technologies, and the life cycle of the Company is in a stage of stable growth. Therefore, it is necessary to retain surplus needed for operational growth and investment. For the moment, the residual dividend policy is adopted. The distribution of shareholder dividends, in cash or share forms, shall not be lower than 10% of the distributable surplus of the year. The cash dividends shall be no lower than 10% of the total.

The appropriation of earnings of the two most recent years were approved during shareholders' meeting held on May 29, 2024, and June 12, 2023, respectively. Information on dividends appropriated to owners is as follows:

	2023			2022	
	Dividends per share		**Amount**	**Dividends per share**	**Amount**
Dividends distributed to owners of common shares:					
Cash (NT$)	$	2.3	202,293	2.3	202,293

The above appropriation of earnings is consistent with the resolution approved by the Board of Directors. As for the 2024 appropriation of earnings, the Board of Directors would draft a proposal to be resolved at the shareholders' meeting. Relevant information can be found at the Market Observation Post System (MOPS).

4. Treasury shares

The Company offers treasury stocks and buys back shares from the Taiwan Stock Exchange. The increase/decrease caused by the buyback are listed as follows:

Unit: thousand shares

	2024				
Reason of recovering shares	**Number of shares at beginning of the period**	**Increase in current period**	**Transfer in current period**	**Cancellation in current period**	**Number of shares at end of the period**
Transfer to employees	1,000	-	-	-	1,000

	2023				
Reason of recovering shares	**Number of shares at beginning of the period**	**Increase in current period**	**Transfer in current period**	**Cancellation in current period**	**Number of shares at end of the period**
Transfer to employees	1,000	-	-	-	1,000

In accordance with provisions of the Securities and Exchange Act, the share buyback rate shall not exceed 10% of total number of shares issued by the

Company. The total amount of buyback shares shall not exceed the sum of retained earnings, share premium and realized capital surplus. No treasury stock held by the Company has exceeded the aforementioned limit. In accordance with provisions of the Securities and Exchange Act, the treasury stocks held by the Company cannot be pledged, and are not entitled to the rights of shareholders before being transferred.

5. Non-controlling interests

	2024
Beginning balance	$ -
Net loss for the period	(22,579)
Generated from mergers and acquisitions	140,865
Ending balance	**$ 118,286**

(XVIII) Share-based payment

The Company's Restricted Employee Stock Plan

The Company's shareholders' meeting resolved on June 21, 2022, to issue 3,000,000 restricted employee stocks to eligible full-time employees of the Company, subject to specific conditions. The issuance has been filed with the Securities and Futures Bureau of the Financial Supervisory Commission for approval and is pending approval from the board of directors regarding the issuance date.

Employees receiving the restricted employee stocks must deliver all units to a designated institutional trustee appointed by the Company for safekeeping until the vesting conditions are met. During this period, employees are prohibited from selling, pledging, transferring, gifting, assigning, or otherwise disposing of the stocks in any way. Other than the restriction on disposal and the requirement to deliver the units to the trust for safekeeping until the vesting conditions are met, the rights associated with the restricted stock units are the same as those of the common shares issued by the Company. In addition, in the event that employees fail to meet the vesting conditions as per the issuance regulations, the Company reserves the right to reclaim and cancel all shares of restricted stock units allocated to the employees at no cost.

(XIX) Earnings per Share (EPS)

	2024	**2023**
Basic EPS:		

		2024	2023
Net income attributable to the Company	$	534,394	328,378
Weighted average number of common stocks outstanding (in thousands of shares)		87,954	87,954
Basic EPS (NT$)	$	6.08	3.73
Diluted EPS:			
Net income attributable to the Company	$	534,394	328,378
Weighted average number of common stocks outstanding (in thousands of shares)		87,954	87,954
Effect of potential diluted ordinary shares:			
Employee compensation to be distributed in stocks		450	629
Weighted average number of common shares outstanding for the calculation of diluted EPS (in thousands of shares)		88,404	88,583
Diluted EPS (NT$)	$	6.04	3.71

(XX) Revenue of customer contract

		2024	2023
Major regional markets			
China	$	3,171,093	2,783,779
Taiwan		149,712	82,754
Other countries		174,863	68,380
	$	3,495,668	2,934,913
Major products			
Coiled conductive polymer solid state capacitors	$	2,447,329	2,107,748
Chip-type conductive polymer solid state capacitors		1,048,339	827,165
	$	3,495,668	2,934,913

Please refer to Note VI(IV) for the disclosure of notes and accounts receivable and impairment.

(XXI) Employee compensations and remuneration for Directors

The Company's Articles of Incorporation provide that if there is profit in the year, at least 8 percent of profit shall be allocated for employee compensation, and no more than 3 percent shall be allocated for remunerations of the Directors. However, if the

Company has accumulated losses, it shall reserve a portion of the profit to offset the losses in advance. Parties eligible to receive the said compensation in the form of stock or cash shall include employees in affiliated companies who met certain conditions.

The Company accrued NT$56,791 thousand and NT$35,769 thousand as employee compensation and NT$16,703 thousand and NT$10,520 thousand as remuneration for Directors for the years ended December 31, 2024, and 2023, respectively. These amounts were calculated using the Company's income before income tax before deducting for employee compensation and remuneration for Directors multiplied by the percentages which are stated under the Company's Article of Incorporation. The amounts were recognized as operating costs or operating expenses for the periods. Difference between amount distributed and accrued will be regarded as changes in accounting estimates and reflected in profit or loss in the following year. If employee compensation is resolved to be distributed in shares, the number of shares is determined by dividing the amount of compensation by the closing price of common shares on the day preceding the Board of Directors' meeting.

The amounts allocated for remuneration to employees were NT$35,769 thousand and the remuneration to Directors were NT$10,520 thousand for the year ended December 31, 2023, which bear no difference from the Board's resolutions. Relevant information can be found at the MOPS.

(XXII) Non-operating income and expenses

1. Other gains and losses, net

	2024	2023
Disposal of investment profit [Note VI(VII) & VII]	$ 31,076	-
Subsidy income	8,738	29,728
Loss on valuation of financial assets	(1,338)	(4)
Dividend income	1,621	6,501
Gain (Loss) on disposal of property, plant, and equipment	226	(1,133)
Others	7,531	2,570
	$ 47,854	37,662

2. Finance costs

	2024	2023

Interest expenses of loans from banks	$	30,332	29,238
Interest expense of lease liabilities		990	210
	$	31,322	29,448

3. Interest income

		2024	2023
Interests on bank deposits	$	34,094	18,427
Other interest income		31	14
	$	34,125	18,441

(XXIII) Financial instruments

1. Credit risk

(1) Maximum credit risk exposure

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

(2) Credit risk concentration

The Group's customers are concentrated in industries such as consumer electronics, computer peripherals and wireless communication and so on. To reduce the credit risk of the accounts receivable, the Group continuously assesses the customers' financial position and regularly evaluates the possibility of the collection of accounts receivable, as well as making allowances for loss. As at December 31, 2024, and 2023, 43% and 43% of the Group's accounts receivables were due from five customers, respectively, resulting in significant credit risk concentration.

(3) Credit risk of accounts receivable and debt securities

Please refer to Note VI(IV) for credit risk exposure of accounts receivable.

Other financial assets at amortized cost included other receivables and time deposits. No impairment loss was recognized.

The aforementioned financial assets have low credit risk, so the allowance loss of the period is measured based on twelve-month expected credit loss (please refer to Note IV(VII) of the consolidated financial statements for the year ended December 31, 2023, for details on how the Group determines the level of credit risk).

2. Liquidity risk

The following table shows the contractual maturity analysis of financial liabilities (including the impact of interest payable):

	Carrying amount	Contract cash flow	Less than 6 months	6-12 months	More than 12 months
December 31, 2024					
Non-derivative financial liabilities					
Short-term loans	$ 1,420,000	1,423,698	1,423,698	-	-
Accounts payable (including related parties)	537,856	537,856	537,856	-	-
Payroll and bonus payable	191,576	191,576	191,576	-	-
Payable on equipment	36,175	36,175	36,175	-	-
Expenses payable (recorded as other current liabilities)	130,098	130,098	130,098	-	-
Lease liabilities (including current and non-current)	68,401	70,124	14,747	11,459	43,918
Long-term loans (including within one year)	310,819	317,754	51,719	111,748	154,287
	$ 2,694,925	2,707,281	2,385,869	123,207	198,205
December 31, 2023					
Non-derivative financial liabilities					
Short-term loans	$ 837,000	839,882	839,882	-	-
Accounts payable (including related parties)	366,030	366,030	366,030	-	-
Payroll and bonus payable	137,035	137,035	137,035	-	-
Payable on equipment	27,339	27,339	27,339	-	-
Expenses payable (recorded as other current liabilities)	97,822	97,822	97,822	-	-
Lease liabilities (including current and non-current)	24,662	25,173	9,369	5,262	10,542
Long-term loans (including within one year)	462,500	477,570	36,255	123,806	317,509
	$ 1,952,388	1,970,851	1,513,732	129,068	328,051

3. Exchange rate risk

(1) Exchange rate risk exposure

The Group's financial assets and liabilities exposed to material exchange rate risk are as follows:

	2024.12.31			2023.12.31		
	Foreign currency	**Exchange rate**	**NTD**	**Foreign currency**	**Exchange rate**	**NTD**
Financial assets						
Monetary items						
USD	$ 67,355	32.785	2,208,233	53,400	30.705	1,639,655
RMB	56,469	4.5608	257,545	61,167	4.3352	265,171
Financial liabilities						
Monetary items						
USD	2,726	32.785	89,363	1,742	30.705	53,488

(2) Sensitivity analysis

The Group's exposure to foreign currency risk mainly arises from exchange gains and losses of cash, receivables, short-term loans, accounts payable, and other payables that are denominated in US dollars and RMB. Changes in net income for the years ended December 31, 2024, and 2023 due to depreciation or appreciation of NTD against USD and RMB as of December 31, 2024, and 2023 with all other variables held constant are as follows:

	Range of the fluctuations	**2024**	**2023**
TWD exchange rate	1% depreciation against USD	$ 16,951	12,689
	1% appreciation against USD	$ (16,951)	(12,689)
	1% depreciation against RMB	$ 2,060	2,121
	1% appreciation against RMB	$ (2,060)	(2,121)

(3) Foreign exchange gains (losses) on monetary items

As the Group has a large variety of functional currencies, the exchange gains and losses of monetary items were disclosed on an aggregated basis. The foreign exchange gains (including realized and unrealized) for the years ended December 31, 2024, and 2023 were NT$111,487 thousand and NT$24,185 thousand, respectively.

4. Interest rate analysis

The interest rate risk exposure of financial assets and financial liabilities of the Group is described in the liquidity risk management of the Notes.

The following sensitivity analysis is determined by the interest rate risk exposure of non-derivative instruments on the reporting date. For liabilities with floating interest rates, the analysis is based on the assumption that the outstanding liabilities on the reporting date have been outstanding all year round. The main reason is the variable interest rate borrowings of the Group. Changes in other comprehensive income for the three months ended December 31, 2024, and 2023 due to changes in interest rate with all other variables held constant are as follows:

	Range of the fluctuations	**2024**	**2023**
Annual borrowing rate	Increase by 1%	$ (13,847)	(10,396)
	Decrease by 1%	$ 13,847	10,396

5. Other price risk

If the price of equity securities and bonds changes on the reporting date (adopt the same basis of analysis for both periods, with the assumption that other variable factors remain unchanged), the impact on comprehensive income items are as follows:

	2024		**2023**	
Price as of the reporting date	**Other comprehensive income before tax**	**Income before income tax for the period**	**Other comprehensive income before tax**	**Income before income tax for the period**
Increase of 1%	$ 10,282	525	2,130	298
Decrease of 1%	(10,282)	(525)	(2,130)	(298)

6. Fair value of financial instruments

(1) Type and fair value of financial instruments

The Group's financial assets at fair value through profit and loss or through other comprehensive income are measured at fair value on a recurring basis. The carrying amount and fair value of financial assets and liabilities (including information of fair value hierarchy; however, the fair value of financial instruments not at fair value and whose carrying amounts are reasonable approximations of their fair value and lease liabilities is not required to be disclosed) are as follows:

	2024.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss - current					
Government bonds	$ 47,079	47,079	-	-	47,079
Financial assets at fair value through profit or loss- non-current					
Limited partnership	$ 5,409	-	-	5,409	5,409
Financial assets at fair value through other comprehensive income - non-current					
Domestic unlisted shares	$ 1,028,200	-	-	1,028,200	1,028,200
Financial assets at amortized cost					
Cash and cash equivalents	$ 1,541,797	-	-	-	-
Notes and accounts receivable (including related parties)	1,622,525	-	-	-	-
Refundable deposits	11,140	-	-	-	-
	$ 3,175,462	-	-	-	-
Financial liabilities at amortized cost					
Short-term loans	1,420,000	-	-	-	-
Accounts payable (including related parties)	537,856	-	-	-	-
Payroll and bonus payable	191,576	-	-	-	-
Payables on equipment	36,175	-	-	-	-
Expenses payable (recorded as other current liabilities)	130,098	-	-	-	-
Lease liabilities (including current and non-current)	68,401	-	-	-	-
Long-term loans (including within one year)	310,819	-	-	-	-
	$ 2,694,925	-	-	-	-

	2023.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss - current					
Government bonds	$ 29,775	29,775	-	-	29,775
Financial assets at fair value through other comprehensive income - non-current					
Domestic unlisted shares	$ 212,957	-	-	212,957	212,957
Financial assets at amortized cost					
Cash and cash equivalents	$ 1,124,174	-	-	-	-
Notes and accounts receivable (including related parties)	1,275,909	-	-	-	-
Refundable deposits	29,007	-	-	-	-
	$ 2,429,090	-	-	-	-
Financial liabilities at amortized cost					
Short-term loans	$ 837,000	-	-	-	-
Accounts payable (including related parties)	366,030	-	-	-	-
Payroll and bonus payable	137,035	-	-	-	-
Payables on equipment	27,339	-	-	-	-
Expenses payable (recorded as other current liabilities)	97,822	-	-	-	-
Lease liabilities (including current and non-current)	24,662	-	-	-	-
Long-term loans (including within one year)	462,500	-	-	-	-
	$ 1,952,388	-	-	-	-

(2) Valuation techniques for financial instruments that are measured at fair value

If there is an active market for a financial instrument, the fair value of the instrument is based on the quoted market price in the active market. The market prices announced by major exchanges and the central government bond counter trading centers, which are judged to be popular, are the basis for the fair value of listed (over-the-counter) equity instruments and debt instruments with active market quotations.

A financial instrument has an active market for public quotations if public quotations are obtained from an exchange, broker, underwriter, industry association, pricing service or competent authority in a timely manner and on a regular basis, and the price represents an actual and frequent arm's length market transaction. If above conditions are not met, the market is considered inactive. Generally speaking, a large bid-ask spread, a significant increase in the bid-ask spread, or a low trading volume are all indicators of an inactive market.

The fair value of financial instruments held by the Group that are traded in an active market are presented by category and attribute as follows:

The fair values of listed redeemable bonds, listed stocks, bills of exchange and corporate bonds, which are financial assets and financial liabilities with standard terms and conditions and traded in active markets, are determined based on the quoted market prices, respectively.

Except for the above-mentioned financial instruments with active markets, the fair values of the remaining financial instruments are obtained using valuation techniques or by reference to quoted prices from counterparties. The fair values obtained through valuation techniques may be calculated based on the current fair values of other financial instruments with substantially similar conditions and characteristics, discounted cash flow method or other valuation techniques, including the models based on market information available at the date of the consolidated balance sheet (e.g., over-the-counter (OTC) reference yield curves, Reuters average quoted commercial paper rates).

The fair value of financial instruments held by the Group that do not have an active market is estimated using the Comparable Listed Company Act and the net asset value method, with the main assumptions of the Comparable Listed Company Act being the net share price multiplier, the cost-benefit ratio multiplier of comparable listed companies, the estimated pre-tax income before interest, depreciation, and amortization (EBITDA) multiplier, and the enterprise value to revenue ratio multiplier of the investee. The net asset value method is used to assess the total value of the individual assets and liabilities covered by the valuation technique to reflect the overall value of the Company. This estimate adjusts for the effect of the lack of marketability of the equity securities at a discount.

(3) Transfers between Level 1 and Level 2 fair value hierarchy: None.

(4) Details of changes in Level 3 fair value hierarchy:

	Financial assets measured at fair value through profit or loss - limited partnership	Financial assets measured at fair value through other comprehensive income - inactive market
Balance as of January 1, 2024	$ -	212,957
Addition	6,000	260,000
Reduction of capital and return of share capital contributions	-	(6,318)
Total gains and losses		
Recognized in profit or loss	(591)	-
Recognized in other comprehensive income	-	561,561
Balance as of December 31, 2024	$ 5,409	1,028,200

Balance as of January 1, 2023	$ 145,021
Addition	80,000
Reduction of capital and return of share capital contributions	(8,811)
Recognized in other comprehensive income	(3,253)
Balance as of December 31, 2023	$ 212,957

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

The Group classified the financial assets measured at fair value through profit or loss - non-current and fair value through other comprehensive income and loss – non-current as recurring Level 3 fair values in the fair value hierarchy due to the use of significant unobservable inputs. The significant unobservable inputs are independent, therefore, there is no correlation between them. Quantified information of significant unobservable inputs is as follows:

Item	Valuation technique	Significant unobservable input	Relationship between significant unobservable inputs and fair value measurement
Financial assets measured at fair value through profit or loss - non-current (limited partnership)	Net asset value method	• Net asset value • Marketability discount (9% for December 31, 2024)	• The higher the value of net asset, the higher the fair value • The higher the marketability discount, the lower the fair value
Financial asset at fair value through other comprehensive income - non-current (investments in equity instrument without active market)	Net asset value method	• Net asset value • Marketability discount (9% for December 31, 2024, and December 31, 2023)	• The higher the value of net asset, the higher the fair value • The higher the marketability discount, the lower the fair value
Financial asset at fair value through other comprehensive income - non-current (investments in equity instrument without active market)	Market approach	• Price-book ratio (PBR) multiples (0.98 - 3.22 and 1.06 - 4.81 as of December 31, 2024, and December 31, 2023) • Price-earnings ratio (PER) multiples (17.45 - 18.83 and 18.91 - 21.33 as of December 31, 2024, and December 31, 2023) • Marketability discount (17.60% - 19.66% and 15.09% - 23.22% as of December 31, 2024, and December 31, 2023) • Enterprise value to revenue ratio multiplier (3.92 for December 31, 2024) • Enterprise value to EBITDA multiplier (19.42 for December 31, 2024)	• The higher the price-book ratio, the higher the fair value • The higher the price-to-earnings ratio, the higher the fair value • The higher the marketability discount, the lower the fair value • The higher the enterprise value to revenue ratio multiplier, the higher the fair value • The higher the enterprise value to EBITDA multiplier, the higher the fair value

(6) Fair value measurement for Level 3, and sensitivity analysis of fair value on reasonably possible alternative assumptions

The Group’s fair value measurement on the financial instruments is considered reasonable; however, when different valuation model or valuation parameters are used, it may lead to different valuation result. If the valuation parameters change, financial instruments classified as Level 3 will have effects on the profit/loss or other comprehensive income, stated as follows:

	Inputs	Increase or decrease change	Fair value change reflected in current period profit and loss		Fair value change reflected in other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
December 31, 2024						
Financial assets measured at fair value through profit or loss						
Investments in equity instrument without active market	Marketability discount	±1%	54	(54)	-	-
	Net asset value method	±1%	54	(54)	-	-

	Inputs	Increase or decrease change	Fair value change reflected in current period profit and loss		Fair value change reflected in other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets measured at fair value through other comprehensive income						
Investments in equity instrument without active market	Marketability discount	±1%	-	-	10,282	(10,282)
	Net asset value method	±1%	-	-	1,050	(1,050)
	Price-book ratio (PBR) multiplier	±1%	-	-	2,277	(2,277)
	Price-earnings ratio (PER) multiplier	±1%	-	-	1,907	(1,907)
	Enterprise value to revenue ratio multiplier	±1%	-	-	6,956	(6,956)
	Enterprise value to EBITDA multiplier	±1%	-	-	6,956	(6,956)
December 31, 2023						
Financial assets measured at fair value through other comprehensive income						
Investments in equity instrument without active market	Marketability discount	±1%	-	-	2,789	(2,789)
	Net asset value method	±1%	-	-	705	(705)
	Price-book ratio (PBR) multiplier	±1%	-	-	2,146	(2,146)
	Price-earnings ratio (PER) multiplier	±1%	-	-	1,260	(1,260)

The Group's favorable and unfavorable changes refer to fluctuation of fair value, and the fair value is calculated according to unobservable inputs of different level via the valuation technique. The fair value of the financial instrument is affected by more than one inputs, the table above only reflects the effect caused by the change of one single input, and the correlation and difference among inputs are not considered.

(XXIV) Financial risk management

1. Overview

The Group is exposed to the following risks due to usage of financial instruments:

(1) Credit risk

(2) Liquidity risk

(3) Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements.

2. Risk management framework

The Board of Directors is solely responsible for overseeing the risk management of the Group. The Group's risk management policies are formulated to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes market conditions and the Group's activities.

The financial management department of the Company provides services for the business units, coordinates the operation of the domestic financial market, and supervises and manages financial risks related to the operation of the Group by analyzing the internal risk reports of the risks according to the level and scope of risks. These risks include credit risk, liquidity risk and market risk (including currency risk, interest rate risk and other market price risks).

3. Credit risk

The main credit risk the Group faces is caused by the potential impact of the counterparty or other party of the financial asset transaction failing to meet its contractual obligations. The Group deposits its cash in creditworthy banks with low credit risk.

The main credit risk of the Group arises from financial products derived from cash and accounts receivable. The Group deposits its cash in various financial institutions. The Group controls exposure to the credit risk of each financial institution and believes that there is no concentration of significant credit risk for the cash.

The credit risk exposure of the Group is influenced by the conditions of each individual customer. The management also considers the statistical data on the basis of the Group customers, including the default risk of industry and country, as these factors play a role in credit risk. To lower credit risk, management of the Group appoints a dedicated team to make decisions on credit limits, credit approval and other monitoring procedures to ensure that appropriate actions are taken to recover overdue receivables. In addition, the Group reviews the recoverable amount of all accounts receivable on the balance sheet dates to ensure that impairment loss is recognized for unrecoverable accounts receivable.

The Group did not provide any endorsements or guarantees to parties other than the subsidiaries for the years ended December 31, 2024, and 2023.

4. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The method of the Group adopts for managing liquidity lies in ensuring sufficient working capital to pay for due liabilities under normal and pressing circumstances so as to avoid unacceptable losses or risk of damage to goodwill. The Group supports business operations and reduces cash flow fluctuation through appropriate management and the maintenance of sufficient cash. The management of the Group supervises the use of the credit line and ensures compliance with the terms of the loan contracts.

5. Market risk

Market risk refers to the risk of the value of revenue or held financial instruments being influenced by market price changes, such as exchange rate and interest rate. The objective of market risk management lies in optimizing the investment return by controlling the market risk exposure within the bearable scope.

(1) Exchange rate risk

The Group is exposed to currency risk arising out of sales, procurement and loan transaction through functional currency valuation from its entities. The

Group's functional currency is New Taiwan dollars. The main valuation currencies for these types of transactions includes RMB and USD.

Loan interest is denominated in the currency of the loan. Generally speaking, the currency of the loan is the same as the currency of the cash flow generated by the operation of the Group, which is mainly NTD and USD. This provides economic hedging without signing derivatives, so hedging accounting is not adopted.

For monetary assets and liabilities denominated in other foreign currencies, when a short-term imbalance occurs, the Group purchases or sells foreign currencies at the real-time exchange rate to ensure that net risk exposure remains at an acceptable level.

(2) Interest rate risk

The short-term borrowings of the Group are debts with floating interest rates, so changes in market interest rates will cause the effective interest rate of short-term borrowings to change accordingly, leading to fluctuations in future cash flows.

(XXV) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximize owner value.

The Group operates in an industry with rapid changes, intensive capital and technologies, and the life cycle of the Company is in a stage of stable growth. Therefore, it is necessary to retain surplus needed for operational growth and investment. For the moment, the residual dividend policy is adopted. The distribution of shareholder cash dividends shall not be lower than 10% of the distributable surplus of the year.

The Group's management periodically reassesses the capital structure every six months, with the scope covering capital costs of various categories and related risks. The Group will distribute dividend, issue new shares, issue new bonds, or repay old debts among other methods to balance its overall capital structure in accordance with the recommendations of its management.

The Group's debt-to-adjusted-capital ratio at the reporting date is as follows:

	2024.12.31	2023.12.31
Total liabilities	$ 2,819,586	2,007,980
Less: Cash and cash equivalents	(1,541,797)	(1,124,174)
Net liabilities	$ 1,277,789	883,806
Total equity	$ 4,038,760	2,914,375
Debt-to-capital ratio	31.64%	30.33%

(XXVI) Non-cash financing activities

The Group's non-cash investing and financing activities for the years ended December 31, 2024, and 2023 are as follows:

1. For right-of-use assets obtained via leases, please refer to Note VI(IX).
2. Reconciliation of liabilities arising from financing activities are as follows:

			Non-cash changes			
	2024.1.1	Cash flow	Change in foreign exchange fluctuations	Business combinations	Other changes	2024.12.31
Short-term loans	$ 837,000	583,000	-	-	-	1,420,000
Lease liabilities	24,662	(27,877)	483	15,079	56,054	68,401
Long-term loans (including within one year)	462,500	(151,681)	-	-	-	310,819
	$ 1,324,162	403,442	483	15,079	56,054	1,799,220

			Non-cash changes		
	2023.1.1	Cash flow	Change in foreign exchange fluctuations	Other changes	2023.12.31
Short-term loans	$ 1,254,000	(417,000)	-	-	837,000
Lease liabilities	15,467	(19,989)	(158)	29,342	24,662
Long-term loans (including within one year)	375,000	87,500	-	-	462,500
	$ 1,644,467	(349,489)	(158)	29,342	1,324,162

VII. Related party transactions

(I) Related parties' name and relationships

Name of related party	Relationship with the Group
TAI-TECH Advanced Electronics Co., Ltd. (TAI-TECH)	Individuals with significant influence on the Group
JDX Technology co., Ltd. (JDX Technology)	Subsidiary of TAI-TECH (Note 1)
Shenzhen Gather Electronics Science Co., Ltd. (Shenzhen Gather)	Associates of the Group accounted for under the equity method
Hubei Gather Electronics Science Co., Ltd. (Hubei Gather)	Subsidiaries controlled by Shenzhen Gather Electronics Science Co., Ltd.
AiPAQ Technology Co., Ltd (AiPAQ)	Subsidiary of the Group(Note 2)

Note 1: Originally an associate of the Group accounted for under the equity method, the Company sold its entire equity interest to TAI-TECH on November 1, 2024, and became a subsidiary of TAI-TECH from that date.

Note 2: Originally an associate of the Group accounted for under the equity method, became a subsidiary of the Group from February 15, 2024.

(II) Significant transactions with related parties

1. Operating revenue

		2024	2023
Hubei Gather Electronics Science Co., Ltd.	$	92,818	79,652
JDX Technology Co., Ltd.		775	469
	$	93,593	80,121

The sales price of the Group to related parties and non-related parties is determined by the specifications of the products being sold, and some products are given discounts of varying degrees depending on the quantity sold. Therefore, the pricing strategy is not significantly different. The credit conditions of the related parties range from 90 days to 150 days based on the monthly statement, while the credit conditions of general customers are determined by the individual client's past transaction experience and the results of debt evaluation, usually ranging from 60 to 150 days for monthly settlement.

2. Purchases

		2024	2023
Hubei Gather Electronics Science Co., Ltd.	$	26,308	23,035
AiPAQ Technology Co., Ltd.		698	2,380
	$	27,006	25,415

The purchase price of the Group from related parties is based on the general market price. The payment terms are 30 to 90 days from end of month for general suppliers, and 60 to 90 days from end of month for related parties.

3. Receivables from related parties

Financial statement account	Category of related parties	2024.12.31	2023.12.31
Accounts receivable	Hubei Gather Electronics Science Co., Ltd.	$ 73,026	59,749
Accounts receivable	JDX Technology Co., Ltd.	334	299
		$ 73,360	60,048

4. Payables to related parties

Financial statement account	Category of related parties	2024.12.31	2023.12.31
Accounts payable	Hubei Gather Electronics Science Co., Ltd.	$ 10,162	10,689
Accounts payable	AiPAQ Technology Co., Ltd.	-	2,232
Other payable	JDX Technology Co., Ltd.	141	-
		$ 10,303	12,921

5. Property transactions

The Group sold 23.33% of equity of JDX Technology to related party, TAI-TECH, in November 2024 for a disposal price of NT$2,202 thousand and a disposal gain of NT$317 thousand. As of December 31, 2024, the full amount has been recovered.

(III) Transactions with key management personnel

Remuneration of major managerial personnel includes:

	2024	2023
Short-term employee benefits	$ 57,755	42,979
Benefits after retirement	432	432
	$ 58,187	43,411

VIII. Pledged Assets: None.

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments: None.

X. Significant Disaster Loss: None.

XI. Significant Subsequent Events: None.

XII. Others

The following is the summary statement of employee benefits and depreciation expenses by function:

Type \ Function	2024			2023		
	Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employee benefit expenses						
Salary expense	376,037	268,465	644,502	294,508	211,076	505,584
Labor and health insurance expense	2,011	11,699	13,710	1,441	10,564	12,005
Pension expense	1,479	5,914	7,393	977	5,079	6,056
Other employee benefits expenses	5,840	10,123	15,963	4,950	7,812	12,762
Depreciation	204,737	51,254	255,991	206,466	36,580	243,046
Amortization	124	4,845	4,969	546	4,162	4,708

XIII. Supplementary Disclosures

(I) Significant transactions information

Relevant information about significant transactions to be disclosed by the Group in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers is as follows:

1. Financing provided to others:

No.	Lending company	Borrower	Subject	Whether a related party	Maximum balance in current period	Ending balance	Amount actually drawn	Interest rate range	Nature of loan	Business transaction amount	Reason for short-term financing	Loss allowance	Collateral		Limit on financing to a single party	Total Limit on Financing
													Name	Value		
0	The Company	Apaq Wuxi	Other receivables - related parties	Yes	164,175	163,925	-	-	Business transaction	2,307,963	Business needs of subsidiary	-		-	392,047	1,568,189
0	The Company	Apaq Hubei	Other receivables - related parties	Yes	164,175	163,925	-	-	Short-term financing	-	Business needs of subsidiary	-		-	392,047	1,568,189
0	The Company	AiPAQ Technology	Other receivables - related parties	Yes	80,000	80,000	-	-	Short-term financing	-	Business needs of subsidiary	-		-	392,047	1,568,189

Note 1: For firms or companies having business relationship with the Company, the financing amount to an individual party is limited to the transaction amount between both parties.

Note 2: The Company limits the amount of funds loaned to a single enterprise to ten percent of the amount attributed to the equity of the parent company in the consolidated financial statements audited by the company's accountants in the most recent period. The total amount of funds loaned by the company to external parties is limited to forty percent of the amount attributed to the equity of the parent company in the consolidated financial statements audited by the company's accountants in the most recent period.

2. Endorsement or guarantee provided to others

No.	Name of endorsement/ guarantee provider	Object of endorsements/guarantees		Limit on endorsements/ guarantees provided for a single party	Maximum balance of endorsements/ guarantees in current period	Ending balance of endorsement and guarantee	Amount actually drawn	Amount of endorsement/ guarantee collateralized by properties	Ratio of accumulated endorsement/ guarantee to net equity per latest financial statements	Maximum endorsement/ guarantee amount allowable	Guarantee provided by parent company to a subsidiary	Guarantee provided by a subsidiary to parent company	Guarantee provided to subsidiaries in Mainland China
		Name	Relationship										
0	The Company	Apaq Wuxi	Subsidiary	3,920,474	164,175	163,925	-	-	4.18%	3,920,474	Y	N	Y
0	The Company	Apaq Hubei	Subsidiary	3,920,474	164,175	163,925	-	-	4.18%	3,920,474	Y	N	Y
0	The Company	AiPAQ Technology	Subsidiary	3,920,474	80,000	80,000	-	-	2.04%	3,920,474	Y	N	N

Note 1: The amount of the endorsements/guarantees to a single enterprise shall be limited to the amount of equity attributable to the owners of the parent company in the balance sheet of the Company's consolidated financial statements as audited (reviewed) by CPAs in the most recent period.

Note 2: The total amount of endorsements/guarantees to external parties shall be limited to the amount of equity attributable to the owners of the parent company in the balance sheet of the Company's consolidated financial statements as audited (reviewed) by CPAs in the most recent period.

3. Holding of marketable securities at the end of the period (excluding investments in subsidiaries, associates and joint ventures):

Name of holding company	Type and name of marketable securities	Relationship with the Issuer	Financial statement account	End of the period				Remarks
				Shares	Carrying amount	Shareholding %	Fair value	
The Company	U.S. Treasury bonds	None	Financial assets at fair value through profit or loss - current	16,000	47,079	- %	47,079	
The Company	AyeVest Investment	None	Financial assets at fair value through profit or loss - non-current	600	5,409	5.39%	5,409	
The Company	Foxfortune Technology Ventures Limited	None	Financial assets at fair value through other comprehensive income - non-current	624	21,878	5.80%	21,878	
The Company	Inpaq Korea	None	Financial assets at fair value through other comprehensive income - non-current	18	2,517	10.73%	2,517	
The Company	Element I Venture Capital Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	1,480	13,305	3.64%	13,305	
The Company	Kuan Kun Electronic Enterprise Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	3,770	158,114	5.39%	158,114	
The Company	AICP Technology Corporation	None	Financial assets at fair value through other comprehensive income - non-current	240	2,119	3.20%	2,119	
The Company	IPU Semiconductor Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	800	32,625	8.00%	32,625	
The Company	WK Technology Fund IX II Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	3,000	26,430	2.67%	26,430	
The Company	I-See Vision Technology Inc.	None	Financial assets at fair value through other comprehensive income - non-current	2,500	32,286	11.18%	32,286	
The Company	Syntec Technology	None	Financial assets at fair value through other comprehensive income - non-current	1,400	695,576	2.14%	695,576	
The Company	Phoenix VI Innovation & Venture Capital Co., Ltd (Phoenix VI)	None	Financial assets at fair value through other comprehensive income - non-current	5,000	43,350	2.54%	43,350	

4. Individual securities acquired or disposed of with accumulated amount of at least NT$300 million or 20 percent of the paid-in capital:

Company acquired or disposed of	Type and name of marketable securities	Financial statement account	Counterparty	Relationship	Beginning of period		Purchase		Sale				End of the period	
					Shares	Amount	Shares	Amount	Shares	Selling price	Carrying cost	Gains (Losses) on disposal	Shares	Amount (Note)
The Company	SYNTEC Technology Co., Ltd. - common share	Financial assets at fair value through other comprehensive income - non-current	None	None	-	-	1,400	210,000	-	-	-	-	1,400	210,000

Note: This represents the acquisition cost.

5. Acquisition of real estate reaching NT$300 million or 20 percent of the paid-in capital or more: None.

6. Disposal of individual real estate at prices of at least NT$300 million or 20 percent of the paid-in capital: None.

7. Related party transactions with purchase or sales amount of at least NT$100 million or 20 percent of the paid-in capital:

Company of purchase (sales)	Name of the counterparty	Relationship	Transaction details				Situation and reason of why transaction conditions are different from general transactions		Notes/Accounts receivable (payable)		Remarks
			Purchases (sales)	Amount	Ratio of total purchase (sales)	Credit period	Unit price	Credit period	Balance	Ratio to total notes/accounts receivable or (payable)	
The Company	Apaq Wuxi	Subsidiary	Purchases	2,307,963	99 %	60 days from the end of the month	-	Note 1	(646,277)	97%	Note 2
The Company	Apaq Wuxi	Subsidiary	Sales	102,727	3 %	60 days from the end of the month	-	Note 1	31,551	2%	Note 2
Apaq Wuxi	Apaq Hubei	Same parent company	Purchases	613,905	37 %	120 days from the end of the month	-	Note 1	(219,670)	32%	Note 2

Note 1: The payment period of general suppliers ranges from 30 days to 90 days on the monthly statement, and the payment period for Apaq Wuxi and Apaq Hubei is 60 days and 120 days, respectively.

Note 2: Related transactions and closing balances have been eliminated from the consolidated financial statements.

8. Accounts receivable from related parties amounting to at least NT$100 million or 20% of the paid-in capital:

Company with accounts receivable	Name of the counterparty	Relationship	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Amounts received in subsequent periods (Note)	Loss allowance
					Amount	Action taken		
Apaq Wuxi	The Company	Parent-subsidiary company	646,277	-	-	-	9,818	-
Apaq Hubei	Apaq Wuxi	Same parent company	219,670	-	-		76,443	-

Note: Refers to the recovery status as of January 20, 2025.

9. Trading in derivative instruments: None.

10. Parent-subsidiary company business relation and significant transactions:

No.	Name of trader	Name of counterparty	Relation with the transacting party	Transaction situation			
				Account	Amount	Terms of transaction	Ratio to consolidated revenue or total assets
0	The Company	Apaq Wuxi	Parent company to a subsidiary	Purchases	2,307,963	60 days from the end of the month	66%
0	The Company	Apaq Wuxi	Parent company to a subsidiary	Sales	102,727	60 days from the end of the month	3%
0	The Company	Apaq Wuxi	Parent company to a subsidiary	Accounts payable	646,277	60 days from the end of the month	9%
1	Apaq Wuxi	Apaq Hubei	Subsidiary to a subsidiary	Purchases	613,905	120 days from the end of the month	18%
1	Apaq Wuxi	Apaq Hubei	Subsidiary to a subsidiary	Accounts payable	219,670	120 days from the end of the month	3%

(II) Information on reinvestment:

The information on investees is as follows (excluding investees in Mainland China):

Name of investor	Name of investee	Primary business	Primary business activities	Original investment amount		Shares held at the end of the period			Midterm maximum capital contribution ratio	Current income (loss) of the investee	Investment profit or loss recognized in the current period	Remarks
				End of the period	End of last year	Shares	%	Carrying amount				
The Company	APAQ Samoa	Samoa	Holding	1,405,325	1,396,226	45,392	100%	2,606,367	100.00%	231,634	208,460	Subsidiary, Note 1 and Note 2
The Company	AiPAQ Technology	Taiwan	Production and sales of electronic components, etc.	181,920	30,000	11,440	52%	181,459	52.00%	(47,498)	(24,598)	Subsidiary, Note 2
The Company	JDX Technology Co., Ltd.	Taiwan	Production and sales of electronic components, etc.	-	7,000	-	-%	-	23.33%	(6,584)	(1,536)	Associate

Note 1: Share of profit/loss includes adjustments for upstream transactions between affiliates.
Note 2: Related transactions and closing balances have been eliminated from the consolidated financial statements.

(III) Information on investments in Mainland China:

1. Information on reinvestments in Mainland China:

Name of investee in Mainland China	Primary business activities	Paid-in capital	Method of investment	Beginning balance of accumulated outflow of investment from Taiwan	Remittance or recovery of investment the current period		Ending balance of accumulated outflow of investment from Taiwan	Current income (loss) of the investee	The Company's percentage of direct or indirect ownership	Midterm maximum capital contribution ratio	Investment gains (losses) recognized in the current period	Carrying amount of investment at the end of period	Ending balance of accumulated inward remittance of earnings	Remarks
					Outward remittance	Recovery								
Apaq Wuxi	Production and sales of electronic components, etc.	1,262,893 (USD41,700 thousand)	Note 2	1,293,113 (USD41,700 thousand)	-	-	1,293,113 (USD41,700 thousand)	239,824	100%	100.00%	239,824 Note 3	2,593,067 Note 3	-	Note 4
Shenzhen Gather Electronics Science Co., Ltd.	Production and sales of electronic components, etc.	72,973 (RMB16,000 thousand)	Note 2	44,898 (RMB9,800 thousand)	9,099 (RMB2,100 thousand)	-	53,997 (RMB11,900 thousand)	(8,991)	35%	35.00%	(3,220) Note 3	59,077 Note 3	-	Associate

Notes to Consolidated Financial Statements of APAQ Technology Co., Ltd and Subsidiaries (continued)

Name of investee in Mainland China	Primary business activities	Paid-in capital	Method of investment	Beginning balance of accumulated outflow of investment from Taiwan	Remittance or recovery of investment the current period		Ending balance of accumulated outflow of investment from Taiwan	Current income (loss) of the investee	The Company's percentage of direct or indirect ownership	Midterm maximum capital contribution ratio	Investment gains (losses) recognized in the current period	Carrying amount of investment at the end of period	Ending balance of accumulated inward remittance of earnings	Remarks
					Outward remittance	Recovery								
Apaq Hubei	Production and sales of electronic components, etc.	270,787 (USD8,800 thousand)	Note 1	247,184 (USD8,500 thousand)	15,222 (USD300) thousand)	-	256,755 (USD8,800 thousand)	67,480	100%	100.00%	68,727 Note 3	464,454 Note 3	-	Note 4

2. Limits of reinvestments in Mainland China:

Accumulated investment remitted from Taiwan to Mainland China at the end of the period (Note 5)	**Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note5)**	**Upper limit on investment authorized by Investment Commission, MOEA**
1,603,865 (USD50,200 thousand and RMB9,800 thousand)	1,643,207 (USD53,700thousand and RMB11,900 thousand)	(Note 6)

Note 1: Direct investment in Mainland China.
Note 2: Investment in Mainland China indirectly through a third area.
Note 3: It was recognized based on financial statements of the same period audited by CPAs of the parent company.
Note 4: Related transactions and closing balances have been eliminated from the consolidated financial statements.
Note 5: The paid-in capital is converted into New Taiwan Dollars at the exchange rate on the balance sheet date. The amount of investment remitted in the current period is converted into New Taiwan Dollars at previous exchange rates. The investment amount approved by Investment Commission, MOEA of USD53,700 thousand and RMB11,900 thousand is converted into New Taiwan Dollars at previous exchange rates. In addition, as of December 31, 2024, the approved investment amount was USD3,200 thousand, of which USD2,000 thousand had not been automatically lapsed for three years, and the remaining USD1,200 thousand had not been remitted.
Note 6: The Company has obtained the certificate letter of enterprise headquarters operation scope issued by the Industrial Development Bureau, MOEA. Hence, the upper limits for investments in Mainland China set by the Investment Commission, MOEA no longer applies.

3. Substantial transactions:

Please refer to the "Information on significant transactions" for direct or indirect material transactions between the Group and investees in Mainland China (which have been written off at the time of preparation of the consolidated financial statements) for the years ended December 31, 2024.

(IV) Information on major shareholders:

Unit: Shares

Shareholding Name of major shareholder	No. of shares held	Shareholding %
TAI-TECH Advanced Electronics Co., Ltd.	25,000,000	28.10%
Hua Cheng Venture Capital Co., Ltd.	10,668,012	11.99%

Note: The major shareholders in this table are shareholders holding more than 5% of the common and preference stocks that have completed delivery of non-physical registration (including treasury stocks) on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation. The share capital recorded in the Company's financial statements and the number of shares actually delivered by the Company without physical registration may differ due to calculation basis.

XIV. Segment Information

(I) General information and segment information

The Group focuses on producing ultra-small, high temperature-resistant, long life, low impedance electrolytic capacitors and cooperates with customers to develop and manufacture high voltage capacitors, chip capacitors, organic semiconductor solid capacitors and high energy storage capacitors. It is a single operating segment. The information of the operating segment is consistent with the consolidated financial statements. Please refer to the consolidated statements of comprehensive income for revenue (revenue from external customers) and income/loss of the segment and the consolidated balance sheet for segment information.

(II) Information on product categories

Please refer to Note VI(XIX) for information on product for the years ended December 31, 2024, and 2023.

(III) Geographical information

The Group compiled the following information with the revenue based on geographic location of customers and non-current assets based on the geographic location of assets.

1. Revenue from external customers:

Please refer to Note VI(XIX) for information on revenue from external customers for the years ended December 31, 2024, and 2023.

2. Non-current assets:

		2024.12.31	2023.12.31
China	$	1,364,280	1,272,424
Taiwan		278,697	101,921
	$	**1,642,977**	**1,374,345**

Note: Non-current assets include property, plant and equipment, right-of-use assets, intangible assets and other non-current assets.

(IV) Major customer information

Information of customers accounting for more than 10% of the Group's net operating revenues is as follows:

	2024			2023	
		Amount	**Percentage of net operating revenue for the current period**	**Amount**	**Percentage of net operating revenue for the current period**
Customer A	$	413,231	12	436,019	15
Customer B		364,173	10	267,766	9
	$	**777,404**	**22**	**703,785**	**24**