

Walsin Technology Corporation

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Walsin Technology Corporation

Opinion

We have audited the accompanying parent company only financial statements of Walsin Technology Corporation (the “Company”), which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the “parent company only financial statements”).

In our opinion, based on our audits and the report of other auditors (please refer to the Other Matter paragraph), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Company's parent company only financial statements for the year ended December 31, 2024 is described as follows:

Revenue Recognition for Multi-layer Ceramic Capacitors (MLCC) Sales

The Company's main revenue streams comes from MLCC, chip resistors and radio frequency devices.

The proportion of revenue from MLCC sales was higher and the gross profit is significant to the net income. Therefore, we considered the recognition of revenue from sales of MLCC as a key audit matter of the Company's financial statements for the year ended December 31, 2024.

The audit procedures that we performed in response to the abovementioned key audit matter included understanding the design and implementation of key internal controls and selecting samples of revenue items to verify the occurrence of transactions.

Other Matter

We did not audit the financial statements of some subsidiaries and investments accounted for using the equity method included in the parent company only financial statements of the Company, but such financial statements were audited by other auditors. Our opinion, insofar as it relates to the amounts and the information disclosed for some subsidiaries and investments accounted for using the equity method, is based solely on the audit reports of other auditors. As of December 31, 2024 and 2023, the share of profit of investments in associates accounted for using the equity method was NT\$3,033,591 thousand and NT\$2,574,933 thousand, representing 3.97% and 3.58% of the total assets, respectively. The share of income of associates accounted for using the equity method for the years ended December 31, 2024 and 2023 was NT\$339,488 thousand and NT\$227,693 thousand, representing 11.04% and 6.55% of the comprehensive income, respectively.

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

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

In preparing the parent company only financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chin-Chuan Shih and Kuo-Tyan Hong.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 20, 2025

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail.

WALSIN TECHNOLOGY CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 996,940	1	\$ 403,873	1
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	240,300	-	146,530	-
Notes receivable (Notes 4 and 10)	9,409	-	7,170	-
Trade receivables (Notes 4 and 10)	1,186,473	2	1,035,131	1
Trade receivables from related parties (Notes 4, 10 and 25)	2,460,087	3	1,838,239	3
Other receivables	194,972	-	203,005	-
Other receivables from related parties (Note 25)	413,088	1	606,745	1
Financial assets at amortized cost - current (Notes 4, 9 and 26)	162,439	-	4,708,292	7
Finance lease receivable - current (Note 4)	15,671	-	16,012	-
Inventories (Notes 4 and 11)	1,776,867	3	1,555,853	2
Other current assets	70,778	-	102,833	-
Total current assets	<u>7,527,024</u>	<u>10</u>	<u>10,623,683</u>	<u>15</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	7,372,631	10	5,110,704	7
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	50,000	-	25,000	-
Financial assets at amortized cost - non-current (Notes 4, 9 and 26)	6,968,039	9	2,898,838	4
Investments accounted for using the equity method (Notes 4 and 12)	43,545,739	57	39,810,947	55
Property, plant and equipment (Notes 4 and 13)	10,344,001	14	12,835,657	18
Right-of-use assets (Notes 4 and 14)	217,075	-	240,610	-
Investment properties (Notes 4 and 15)	4,452	-	4,452	-
Computer software (Note 4)	33,284	-	45,994	-
Deferred tax assets (Notes 4 and 21)	193,000	-	243,000	1
Guarantee deposits paid	46,159	-	27,646	-
Finance lease receivables - non-current (Note 4)	22,534	-	35,876	-
Other non-current assets	90,377	-	90,377	-
Total non-current assets	<u>68,887,291</u>	<u>90</u>	<u>61,369,101</u>	<u>85</u>
TOTAL	<u>\$ 76,414,315</u>	<u>100</u>	<u>\$ 71,992,784</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	\$ 8,340,000	11	\$ 6,942,979	10
Trade payables	1,309,758	2	1,149,353	1
Trade payables to related parties (Note 25)	1,350,156	2	1,225,727	2
Payables for equipment (Note 25)	212,409	-	513,350	1
Other payables (Note 25)	1,611,273	2	1,477,754	2
Lease liabilities - current (Notes 4 and 14)	47,319	-	54,767	-
Current tax liabilities (Notes 4 and 21)	329,538	-	742,884	1
Current portion of bonds payable (Note 17)	-	-	4,778,445	7
Current portion of long-term borrowings (Notes 4 and 16)	2,010,917	3	1,750,833	2
Other current liabilities	37,014	-	31,311	-
Total current liabilities	<u>15,248,384</u>	<u>20</u>	<u>18,667,403</u>	<u>26</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 4 and 16)	12,149,417	16	6,200,333	9
Current tax liabilities - non-current (Notes 4 and 21)	21,742	-	218,556	-
Deferred tax liabilities (Notes 4 and 21)	106,964	-	45,964	-
Lease liabilities - non-current (Notes 4 and 14)	196,514	-	219,084	-
Net defined benefit liabilities - non-current (Notes 4 and 18)	41,988	-	58,345	-
Guarantee deposits received	3,603	-	3,454	-
Total non-current liabilities	<u>12,520,228</u>	<u>16</u>	<u>6,745,736</u>	<u>9</u>
Total liabilities	<u>27,768,612</u>	<u>36</u>	<u>25,413,139</u>	<u>35</u>
EQUITY (Notes 4 and 19)				
Share capital				
Ordinary shares	4,858,048	6	4,858,043	7
Capital surplus	3,161,951	4	3,116,412	4
Retained earnings				
Legal reserve	5,140,341	7	4,911,739	7
Special reserve	1,096,797	1	1,096,797	1
Unappropriated earnings	31,118,251	41	29,347,656	41
Other equity				
Exchange differences on translation of the financial statements of foreign operations	233,190	1	(1,678,514)	(2)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	3,273,505	4	5,163,892	7
Treasury shares	(236,380)	-	(236,380)	-
Total equity	<u>48,645,703</u>	<u>64</u>	<u>46,579,645</u>	<u>65</u>
TOTAL	<u>\$ 76,414,315</u>	<u>100</u>	<u>\$ 71,992,784</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements.

(With Deloitte & Touche audits' report dated February 20, 2025)

WALSIN TECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
NET SALES (Notes 4 and 25)	\$ 16,493,208	100	\$ 15,331,021	100
COST OF SALES (Notes 11 and 25)	<u>14,991,627</u>	<u>91</u>	<u>13,777,117</u>	<u>90</u>
GROSS PROFIT	1,501,581	9	1,553,904	10
(UNREALIZED) REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	<u>(30,087)</u>	<u>-</u>	<u>(112,162)</u>	<u>(1)</u>
REALIZED GROSS PROFIT	<u>1,471,494</u>	<u>9</u>	<u>1,441,742</u>	<u>9</u>
OPERATING EXPENSES				
Selling and marketing expenses	294,490	2	280,434	2
General and administrative expenses	349,219	2	245,097	1
Research and development expenses	<u>274,068</u>	<u>2</u>	<u>290,384</u>	<u>2</u>
Total operating expenses	<u>917,777</u>	<u>6</u>	<u>815,915</u>	<u>5</u>
PROFIT FROM OPERATIONS	<u>553,717</u>	<u>3</u>	<u>625,827</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	427,310	3	380,948	3
Rental income	17,719	-	17,719	-
Dividend income (Note 25)	124,019	1	161,094	1
Other income (Note 25)	30,252	-	13,021	-
Gain on disposal of investments	-	-	6,703	-
Gain on financial assets at FVTPL	104,508	1	67,407	-
Other expenses	(4,993)	-	(20,600)	-
Gain (loss) on disposal of property, plant and equipment (Note 25)	1,075	-	(9,261)	-
Foreign exchange gain (loss), net	569,102	3	(14,266)	-
Interest expense	(365,135)	(2)	(297,896)	(2)
Share of profit of subsidiaries and associates accounted for using the equity method (Notes 4 and 12)	<u>1,829,742</u>	<u>11</u>	<u>1,184,724</u>	<u>8</u>
Total non-operating income and expenses	<u>2,733,599</u>	<u>17</u>	<u>1,489,593</u>	<u>10</u>
PROFIT BEFORE INCOME TAX	3,287,316	20	2,115,420	14
INCOME TAX EXPENSE (Notes 4 and 21)	<u>(304,809)</u>	<u>(2)</u>	<u>(130,824)</u>	<u>(1)</u>
NET PROFIT FOR THE YEAR	<u>2,982,507</u>	<u>18</u>	<u>1,984,596</u>	<u>13</u>

(Continued)

WALSIN TECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 22,803	-	\$ (37,009)	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	(1,240,018)	(7)	1,241,401	8
Share of the other comprehensive loss of subsidiaries and associates accounted for using the equity method	(602,190)	(4)	772,987	5
Items that may be reclassified subsequently to profit or loss:				
Share of the other comprehensive income of subsidiaries and associates accounted for using the equity method	<u>1,911,704</u>	<u>12</u>	<u>(486,978)</u>	<u>(3)</u>
Other comprehensive income for the year, net	<u>92,299</u>	<u>1</u>	<u>1,490,401</u>	<u>10</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 3,074,806</u>	<u>19</u>	<u>\$ 3,474,997</u>	<u>23</u>
EARNINGS PER SHARE (Notes 4 and 22)				
Basic	<u>\$ 6.15</u>		<u>\$ 4.09</u>	
Diluted	<u>\$ 6.08</u>		<u>\$ 4.00</u>	

The accompanying notes are an integral part of the parent company only financial statements.

(With Deloitte & Touche audits' report dated February 20, 2025)

(Concluded)

WALSIN TECHNOLOGY CORPORATION

**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)**

	Share Capital			Retained Earnings			Other Equity		Treasury Shares	Total Equity
	Shares (In Thousands)	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		
BALANCE, JANUARY 1, 2023	485,804	\$ 4,858,043	\$ 3,111,159	\$ 4,736,096	\$ 1,096,797	\$ 28,403,212	\$ (1,191,536)	\$ 3,503,533	\$ (236,380)	\$ 44,280,924
Appropriation of the 2022 earnings (Note 19)										
Legal reserve	-	-	-	175,643	-	(175,643)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(1,165,930)	-	-	-	(1,165,930)
Other changes in capital surplus (Note 19)										
Change in capital surplus from associates accounted for using the equity method	-	-	5,253	-	-	-	-	-	-	5,253
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	(15,599)	-	-	-	(15,599)
Net profit for the year ended December 31, 2023	-	-	-	-	-	1,984,596	-	-	-	1,984,596
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	(37,009)	(486,978)	2,014,388	-	1,490,401
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	-	1,947,587	(486,978)	2,014,388	-	3,474,997
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	354,029	-	(354,029)	-	-
BALANCE, DECEMBER 31, 2023	485,804	4,858,043	3,116,412	4,911,739	1,096,797	29,347,656	(1,678,514)	5,163,892	(236,380)	46,579,645
Appropriation of the 2023 earnings (Note 19)										
Legal reserve	-	-	-	228,602	-	(228,602)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(1,044,479)	-	-	-	(1,044,479)
Convertible bonds converted to ordinary shares	1	5	95	-	-	-	-	-	-	100
Other changes in capital surplus (Note 19)										
Change in capital surplus from associates accounted for using the equity method	-	-	14,644	-	-	(34)	-	-	-	14,610
The difference between consideration received or paid and the carrying amount of subsidiaries' net assets during actual disposal or acquisition	-	-	30,800	-	-	-	-	-	-	30,800
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	(9,779)	-	-	-	(9,779)
Net profit for the year ended December 31, 2024	-	-	-	-	-	2,982,507	-	-	-	2,982,507
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	22,803	1,911,704	(1,842,208)	-	92,299
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	3,005,310	1,911,704	(1,842,208)	-	3,074,806
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	48,179	-	(48,179)	-	-
BALANCE, DECEMBER 31, 2024	485,805	\$ 4,858,048	\$ 3,161,951	\$ 5,140,341	\$ 1,096,797	\$ 31,118,251	\$ 233,190	\$ 3,273,505	\$ (236,380)	\$ 48,645,703

The accompanying notes are an integral part of the parent company only financial statements.

(With Deloitte & Touche audits' report dated February 20, 2025)

WALSIN TECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 3,287,316	\$ 2,115,420
Adjustments for:		
Depreciation expense	2,878,586	2,919,447
Amortization expense	35,859	40,764
Expected credit loss recognized on trade receivables	1,000	-
Net gain on financial assets at FVTPL	(104,508)	(67,407)
Interest expense	365,135	297,896
Interest income	(427,310)	(380,948)
Dividend income	(124,019)	(161,094)
Share of profit of subsidiaries and associates accounted for using the equity method	(1,829,742)	(1,184,724)
(Gain) loss on disposal of property, plant and equipment	(1,075)	9,261
Gain on disposal of investments	-	(6,703)
(Reversal gain) Impairment loss recognized on property, plant and equipment and investment property	(41,344)	17,651
Write-downs of inventories	38,812	40,176
Unrealized gross profit on the transactions with associates	30,087	112,162
Realized gain on transactions with associates	(1,552)	(1,816)
Net (gain) loss on foreign currency exchange	(234,224)	306,621
Changes in operating assets and liabilities		
Notes receivable from unrelated parties	(2,239)	(2,084)
Trade receivables from unrelated parties	(94,074)	30,065
Trade receivables from related parties	(564,119)	93,657
Other receivables from unrelated parties	(29,916)	(16,053)
Other receivables from related parties	193,657	(30,690)
Inventories	(259,826)	141,903
Other current assets	36,405	48,925
Trade payables to unrelated parties	109,051	623,076
Trade payables to related parties	109,416	(226,034)
Other payables	121,895	(161,353)
Other current liabilities	5,703	(12,472)
Other non-current liabilities	(3,986)	(7,955)
Cash generated from operations	3,494,988	4,537,691
Interest received	465,042	255,376
Dividend received	518,740	600,230
Interest paid	(330,949)	(230,058)
Income tax paid	(803,969)	(231,323)
Net cash generated from operating activities	<u>3,343,852</u>	<u>4,931,916</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(3,501,945)	(268,743)

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WALSIN TECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
Proceeds from financial assets at fair value through other comprehensive income	\$ -	\$ 407,229
Proceeds from (purchase of) financial assets at amortized cost	656,867	(7,141,453)
Purchase of financial assets at fair value through profit or loss	(212,940)	(25,000)
Proceeds from financial assets at fair value through profit or loss	198,678	168,149
Acquisition of long-term equity investment for using the equity method	(1,091,391)	(642,762)
Proceeds from long-term equity investment for using the equity method	32,757	-
Proceeds from capital return of investments accounted for using the equity method	85,905	-
Payments for property, plant and equipment	(629,740)	(1,128,671)
Proceeds from disposal of property, plant and equipment	3,014	15,895
(Increase) decrease in guarantee deposits paid	(18,513)	3,644
Payments for intangible assets	-	(15,708)
Decrease in receivables from related parties for advances or borrowings	-	279,058
Decrease in finance lease receivables	<u>15,461</u>	<u>15,126</u>
Net cash used in investing activities	<u>(4,461,847)</u>	<u>(8,333,236)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	1,400,511	709,100
Repayments of bonds payable	(4,798,900)	-
Increase (decrease) in long-term borrowings	6,209,168	(356,834)
Increase in guarantee deposits received	149	95
Repayment of the principal portion of lease liabilities	(55,404)	(58,495)
Cash dividends	<u>(1,044,462)</u>	<u>(1,165,922)</u>
Net cash generated from (used in) financing activities	<u>1,711,062</u>	<u>(872,056)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	593,067	(4,273,376)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>403,873</u>	<u>4,677,249</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 996,940</u>	<u>\$ 403,873</u>

The accompanying notes are an integral part of the parent company only financial statements.

(With Deloitte & Touche audits' report dated February 20, 2025)

(Concluded)

WALSIN TECHNOLOGY CORPORATION

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Walsin Technology Corporation (the “Company”) was incorporated in the Republic of China (ROC) on July 29, 1970 and was engaged in the design, development and manufacture of semiconductors and LED (light-emitting diode) chips. On July 1, 1992, the Company purchased the machinery, equipment and inventory from the electronic department of Walsin Lihwa Corporation and changed its main operations to become the manufacturer and seller of passive components. The Company’s ordinary shares began trading on the Taipei Exchange on November 21, 1997, and transferred listing of its shares for trading on the Taiwan Stock Exchange on September 17, 2001.

The Company’s main business location is No. 566-1, Gaoshi Road, Yangmei District, Taoyuan City, Taiwan, the R.O.C.

The parent company only financial statements of the Company are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Company’s board of directors on February 20, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Company’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Company shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

Amendments to IAS 21 “Lack of Exchangeability”

The amendments stipulate that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. In this situation, the Group shall disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, its financial performance, financial position and cash flows.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note)</u>
Annual Improvements to IFRS Accounting Standards-Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”- the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

1) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Company shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into Company’s based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as “other” only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Company as a whole, the Company shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

2) Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

The amendments mainly amend the requirements for the classification of financial assets, including if a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,

- In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and
- In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

The amendments mainly also stipulate that, when settling a financial liability in cash using an electronic payment system, an entity can choose to derecognize the financial liability before the settlement date if, and only if, the entity has initiated a payment instruction that resulted in:

- The entity having no practical ability to withdraw, stop or cancel the payment instruction;
- The entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- The settlement risk associated with the electronic payment system being insignificant.

Except for the above impact, as of the date the parent company only financial statements were authorized for issue, the Company is continuously assessing the other impacts of the above amended standards and interpretations on the Company’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

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

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair

value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same as the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates and the related equity items, as appropriate, in these financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period, and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- 3) Liabilities for which the Company does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the Company's own equity instruments do not affect its classification as current or non-current if the Company classifies the option as an equity instrument.

Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign currencies

In preparing the financial statements, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are retranslated using the exchange rate at the date of the transaction.

For the purposes of presenting the parent company only financial statements, the functional currencies of the Company (including subsidiaries and associates in other countries that use currency different from the currency of the Company) are translated into the presentation currency - the U.S. dollars as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In relation to partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

e. Inventories

Inventories consist of raw materials, supplies, finished goods, work in progress and semi-finished goods and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

f. Investment in subsidiaries

Investments accounted for using the equity method include investments in subsidiaries and associates.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the subsidiary as well as the distribution received. The Company also recognized its share in the changes in the equity of subsidiaries.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. Any difference between the carrying amount of the subsidiary and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further loss.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. The impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, any retained investment of the former subsidiary is measured at the fair value at that date. A gain or loss is recognized in profit or loss and calculated as the difference between (a) the aggregate of the fair value of consideration received and the fair value of any retained interest at the date when control is lost; and (b) the previous carrying amount of the investments in such subsidiary. In addition, the Company shall account for all amounts previously recognized in other comprehensive income in relation to the subsidiary on the same basis as would be required if the subsidiary had directly disposed of the related assets and liabilities.

When the Company transacts with its subsidiaries, profits and losses resulting from the transactions with the subsidiaries are recognized in the Company's financial statements only to the extent of interests in the subsidiaries that are not owned by the Company.

g. Investments in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture.

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

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate and joint ventures. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in the Company's share of the equity of associates. If the Company's ownership interest is reduced due to the additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Company's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment (including goodwill). Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Company continues to apply the equity method and does not remeasure the retained interest.

When the Company entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the parent company only financial statements only to the extent of interests in the associate that are not related to the Company.

h. Property, plant and equipment

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

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. The products produced to test whether an item of property, plant and equipment is functioning properly before the asset reaches its expectation of use are measured at the lower of cost or net realizable value, and any proceeds from selling and the cost are recognized in profit or loss. Such assets are depreciated and classified into the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On the derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for currently undetermined future use.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

j. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment of property, plant and equipment, right-of-use asset, investment properties and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment properties and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

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

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

1. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

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

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost, investments in debt instruments and equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments that are not designated as at FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 24. To the parent company only financial secrets.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) 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.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, and trade receivables at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;
- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

Bank balances used by the Company that are subject to third-party contractual restrictions are included as part of cash unless the restrictions result in a bank balance that no longer meets the definition of cash. Contractual restrictions affecting the use of bank balances are disclosed in Note 6. If the contractual restrictions to use the cash extend beyond 12 months after the end of the reporting period, the related amounts are classified as non-current in the statement of financial position

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established unless the dividends represent a recovery of part of the cost of the investment.

b) Impairment of financial assets and contract assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables), investments in debt instruments that are measured at FVTOCI, finance lease receivables, as well as contract assets.

The Company always recognizes lifetime expected credit losses (ECLs) for trade receivables, finance lease receivables and contract assets. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

For internal credit risk management purposes, the Company considers the following situations as an indication that a financial asset is in default (without taking into account any collateral held by the Company):

- i. Internal or external information shows that the debtor is unlikely to pay its creditors.
- ii. Financial asset is more than 180 days past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and any associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes collateralized borrowing for the proceeds received.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

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

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's equity instruments is recognized and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types and calculated separately by repurchase category. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's equity instruments.

3) Financial liabilities

a) Subsequent measurement

Financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

m. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

n. Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

- Revenue from the sale of goods

Revenue from the sale of goods comes from sales of passive components. Sales of passive components are recognized as revenue when the goods are delivered to the customer's specific location or the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently.

o. Lease

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

1) The Company as lessor

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

When the Company subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Company, as a lessee, has accounted for by applying recognition exemption, the sublease is classified as an operating lease.

Under finance leases, the lease payments comprise fixed payments. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods to reflect a constant, periodic rate of return on the Company's net investment outstanding in respect of leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

When a lease includes both land and building elements, the Company assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the parent company only balance sheets.

p. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until the assets are substantially ready for their intended use or sale.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

q. Government grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they are received.

The benefit of a government loan received at a below-market rate of interest is treated as a government grant measured as the difference between the proceeds received and the fair value of the loan based on prevailing market interest rates.

r. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and rereasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

s. Share-based payment arrangements

Equity-settled share-based payment arrangements are granted to employees. The fair value at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share option. The expense is recognized in full at the grant date if the grants are vested immediately.

t. Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforward to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the adoption of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Company considers the possible impact of economic environment implications on relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Material Accounting Judgments

a. Significant influence over associates

- The Company is the single largest shareholder with less than 50% of the voting rights on an investee, and the Company does not have control but has significant influence over the investee.

As stated in Note 12 to the parent company only financial statements, the Company is the single largest shareholder with 20.32% (included the shares held by Prosperity Dielectrics Co., Ltd. for a total of 21.39%) voting rights in HannStar Board Corporation. Considering the Company's ownership proportion relative to the size and dispersed shareholdings of other shareholders, the Company is not able to direct the relevant activities of and does not have control over HannStar Board Corporation. Consequently, the management considered that the Company has significant influence over HannStar Board Corporation and, therefore, classified HannStar Board Corporation as an associate.

As stated in Note 12 to the parent company only financial statements, the Company is the single largest shareholder with 25% of the voting rights in Silitech Technology Corporation. Considering the Company's ownership proportion relative to the size and dispersed shareholdings of other shareholders, the Company is not able to direct the relevant activities and does not have control over Silitech Technology Corporation. Consequently, the management considered that the Company has significant influence over Silitech Technology Corporation and, therefore, classified Silitech Technology Corporation as an associate.

b. Control over subsidiaries

As stated in Note 12 to the parent company only financial statements, although Prosperity Dielectrics Co., Ltd. is a subsidiary of the Company, the Company holds less than half of the voting rights in Prosperity Dielectrics Co., Ltd. After considering the Company's substantial holdings in Prosperity Dielectrics Co., Ltd. and the relative size of and dispersed shareholdings of other shareholders, the Company concluded that it has a sufficiently dominant voting interest to direct the relevant activities of Prosperity Dielectrics Co., Ltd. and, therefore, the Company has control over Prosperity Dielectrics Co., Ltd.

As stated in Note 12 to the parent company only financial statements, although Inpaq Technology Co., Ltd. is a subsidiary of the Company, the Company holds less than half of the voting rights in Inpaq Technology Co., Ltd. After considering the Company's substantial holdings in Inpaq Technology Co., Ltd. and the relative size of and dispersed shareholdings of other shareholders, the Company concluded that it has a sufficiently dominant voting interest to direct the relevant activities of Inpaq Technology Co., Ltd. and, therefore, the Company has control over Inpaq Technology Co., Ltd.

Key Sources of Estimation Uncertainty: None

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	2023
Cash on hand	\$ 832	\$ 922
Checking accounts and demand deposits	537,174	241,396
Cash equivalents		
Time deposits with original maturities of less than 3 months	<u>458,934</u>	<u>161,555</u>
	<u>\$ 996,940</u>	<u>\$ 403,873</u>

- a. The market rate intervals of cash in bank at the end of the reporting period were as follows (except the market rate of checking accounts was 0%):

	December 31	
	2024	2023
Bank balance	0.001%-4.84%	0.001%-5.76%

- b. Time deposits in the amounts of \$51,238 thousand and \$57,472 thousand as of December 31, 2024 and 2023, respectively, have been provided as guarantees for tariff and recognized under financial assets at amortized cost and guarantee deposits paid (refer to Note 26 to the financial statements).

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Financial assets at fair value through profit or loss (FVTPL) - current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic listed shares	<u>\$ 240,300</u>	<u>\$ 146,530</u>
<u>Financial assets at FVTPL - non-current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Limited partnership	<u>\$ 50,000</u>	<u>\$ 25,000</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Non-current</u>		
Domestic investments		
Listed shares		
Walton Advanced Engineering Inc.	\$ 444,589	\$ 486,020
Giga-Byte Technology Co., Ltd.	2,340,775	2,284,940
Walsin Lihwa Co., Ltd.	1,166,858	1,902,914
TXC Corporation	3,161,528	-
Unlisted shares		
Chin-Xin Investment Co., Ltd.	<u>258,881</u>	<u>436,830</u>
	<u>\$ 7,372,631</u>	<u>\$ 5,110,704</u>

These investments in equity instruments are not held for trading. Instead, they are held for medium- to long-term strategic purposes. Accordingly, the management selected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

In 2023, the Company sold its shares in Giga-Byte Technology Co., Ltd. and Sawncics Inc. for investment purposes. The shares sold had a fair value of \$406,309 thousand and its related unrealized valuation gain of \$340,139 thousand was transferred from other equity to retained earnings.

In the third quarter of 2024, the Company acquired ordinary shares of TXC Corporation, including private placement ordinary shares, for \$3,501,945 thousand, which were designated as measured at FVTOCI due to their investment for medium- to long-term strategic purposes. According to relevant laws and regulations, private placement ordinary shares may not be transferred within 3 years.

9. FINANCIAL ASSETS AT AMORTIZED COST

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Current</u>		
Time deposits with original maturities of more than 3 months	\$ <u>162,439</u>	\$ <u>4,708,292</u>
<u>Non-current</u>		
Foreign corporate bonds	\$ <u>6,968,039</u>	\$ <u>2,898,838</u>

The market interest rate intervals of time deposits with original maturities of more than 3 months at the end of the reporting period were as follows:

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Time deposits with original maturities of more than 3 months and foreign corporate bonds, etc.	0.66%-6.176%	0.54%-5.90%

Refer to Note 26 to the financial statements for information relating to investments in financial assets at amortized cost pledged as security.

10. NOTES RECEIVABLE AND TRADE RECEIVABLES

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Notes receivable from unrelated parties</u>		
At amortized cost		
Gross carrying amount	\$ 9,409	\$ 7,170
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 9,409</u>	<u>\$ 7,170</u>
<u>Trade receivables from unrelated parties</u>		
At amortized cost		
Gross carrying amount	\$ 1,196,050	\$ 1,043,668
Less: Allowance for impairment loss	<u>(9,577)</u>	<u>(8,537)</u>
	<u>\$ 1,186,473</u>	<u>\$ 1,035,131</u>
<u>Trade receivables from related parties (Note 25)</u>		
At amortized cost		
Gross carrying amount	\$ 2,460,087	\$ 1,838,239
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 2,460,087</u>	<u>\$ 1,838,239</u>

The average credit period of sales of goods was 90 to 120 days. No interest was charged on trade receivables. The Company adopted a policy of only dealing with entities that are rated the equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit rating information is obtained from independent rating agencies where available or, if not available, the Company uses other publicly available financial information or its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty credit limits that are reviewed and approved by enterprise risk management division annually.

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of notes receivable and trade receivables based on the overdue aging ratio and individual customer evaluation method.

December 31, 2024

	Not Past Due	Up to 30 Days	31 to 60 Days	61 to 90 Days	91 to 180 Days	Over 180 Days	Total
Expected credit loss rate	0%-0.6%	5%	10%	20%	50%	100%	
Gross carrying amount	\$ 1,183,066	\$ 3,983	\$ 18,164	\$ 100	\$ 146	\$ -	\$ 1,205,459
Loss allowance (Lifetime ECLs)	<u>(7,469)</u>	<u>(199)</u>	<u>(1,816)</u>	<u>(20)</u>	<u>(73)</u>	<u>-</u>	<u>(9,577)</u>
Amortized cost	<u>\$ 1,175,597</u>	<u>\$ 3,784</u>	<u>\$ 16,348</u>	<u>\$ 80</u>	<u>\$ 73</u>	<u>\$ -</u>	<u>\$ 1,195,882</u>

December 31, 2023

	Not Past Due	Up to 30 Days	31 to 60 Days	61 to 90 Days	91 to 180 Days	Over 180 Days	Total
Expected credit loss rate	0.1%-4%	5%	10%	20%	50%	100%	
Gross carrying amount	\$ 1,022,698	\$ 15,518	\$ 12,622	\$ -	\$ -	\$ -	\$ 1,050,838
Loss allowance (Lifetime ECLs)	<u>(6,499)</u>	<u>(776)</u>	<u>(1,262)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,537)</u>
Amortized cost	<u>\$ 1,016,199</u>	<u>\$ 14,742</u>	<u>\$ 11,360</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,042,301</u>

The movements of the loss allowance of notes receivable and trade receivables were as follows:

	December 31	
	2024	2023
Balance at January 1	\$ 8,537	\$ 8,537
Add: Recognition of impairment loss for the current year	1,000	-
Add: Reclassification of loss allowance for overdue receivables	<u>40</u>	<u>-</u>
Balance at December 31	<u>\$ 9,577</u>	<u>\$ 8,537</u>

Compared to the balance at the beginning of the year, the total gross receivables (excluding related parties) as of December 31, 2024 increased by \$154,621 thousand, and overdue payments also increased. Therefore, impairment losses were recognized. Compared to the balance at the beginning of the year, the total gross receivables (excluding related parties) as of December 31, 2023 decreased by \$48,542 thousand, while overdue payments decreased. Therefore, impairment losses were not recognized.

11. INVENTORIES

	December 31	
	2024	2023
Raw materials	\$ 297,609	\$ 318,248
Supplies	26,686	25,862
Work in progress	427,227	385,715
Semi-finished goods	608,475	510,259
Finished goods	<u>416,870</u>	<u>315,769</u>
	<u>\$ 1,776,867</u>	<u>\$ 1,555,853</u>

The nature of the cost of goods sold was as follows:

	December 31	
	2024	2023
Cost of inventories sold	\$ 13,271,827	\$ 11,900,611
Unallocated manufacturing expense	1,680,988	1,836,330
Write-down of inventories	<u>38,812</u>	<u>40,176</u>
	<u>\$ 14,991,627</u>	<u>\$ 13,777,117</u>

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2024	2023
Investments in subsidiaries	\$ 35,360,766	\$ 31,929,804
Investments in associates	<u>8,184,973</u>	<u>7,881,143</u>
	<u>\$ 43,545,739</u>	<u>\$ 39,810,947</u>

a. Investments in subsidiaries

Investment in Subsidiaries	December 31	
	2024	2023
Listed shares		
Prosperity Dielectrics Co., Ltd. (Note 1)	\$ 2,893,504	\$ 2,894,824
Inpaq Technology Co., Ltd. (Note 1)	3,033,591	2,574,933
Soshin Electric Co., Ltd. (Note 2)	-	44,897
Unlisted shares		
Pan Overseas (B.V.I.) Investments Co., Ltd.	2,476,446	2,263,388
Gallatown Developments Ltd.	26,266,055	24,101,659
Walsin Technology Europe B.V.	2,860	50,103
Walsin Electronics (S) Pte. Ltd. (Note 3)	<u>688,310</u>	<u>-</u>
	<u>\$ 35,360,766</u>	<u>\$ 31,929,804</u>

Note 1: Control over subsidiaries, please refer to Note 5(b) to the financial statements.

Note 2: The Company sold all of its shares in Soshin Electric Co., Ltd. to Kamaya Electric Co., Ltd. in the second quarter of 2024. The transaction was a reorganization under common control.

Note 3: Gallatown Developments Ltd. sold all of its shares in Walsin Electronics (S) Pte. Ltd. to The Company in the second quarter of 2024 and the transaction was a reorganization under common control.

b. Investments in associates

Investment in Associates	December 31	
	2024	2023
Material associates		
HannStar Board Corp. (Note)	\$ 6,594,655	\$ 6,236,694
Associates that are not individually material		
Silitech Technology Corporation (Note)	754,275	729,828
Tsai Yi Corporation	744,265	804,561
Falcon Automation Equipment Corporation	80,503	97,823
Walsin New Energy Corporation	<u>11,275</u>	<u>12,237</u>
	<u>\$ 8,184,973</u>	<u>\$ 7,881,143</u>

Note: Significant influence over associates, please refer to Note 5(a) to the parent company only financial statements.

- c. Share of profit (loss) of associates for the years ended December 31, 2024 and 2023 were summarized as follows:

	2024	2023
Subsidiaries		
Prosperity Dielectrics Co., Ltd.	\$ 214,296	\$ 196,570
Pan Overseas (B.V.I.) Investments Co., Ltd.	74,909	26,265
Gallatown Developments Ltd.	624,209	231,403
Inpaq Technology Co., Ltd.	339,488	227,693
Soshin Electric Co., Ltd.	(694)	(564)
Walsin Technology Europe B.V.	(48,246)	(61,853)
Walsin Electronics (S) Pte. Ltd.	13,856	-
Material Associates		
HannStar Board Corp.	613,074	544,514
Associates that are not individually material		
Tsai Yi Corporation	5,997	\$ 6,278
Falcon Automation Equipment Corporation	(17,320)	(4,694)
Silitech Technology Corporation	11,135	19,375
Walsin New Energy Corporation	<u>(962)</u>	<u>(263)</u>
	<u>\$ 1,829,742</u>	<u>\$ 1,184,724</u>

- d. The proportion of ownership and voting rights in subsidiaries and associates held by the Company were as follows:

Name of Associate	December 31	
	2024	2023
Prosperity Dielectrics Co., Ltd.	43.13%	43.13%
HannStar Board Corp.	20.32%	20.32%
Pan Overseas (B.V.I.) Investments Co., Ltd.	100.00%	100.00%
Gallatown Developments Ltd.	89.15%	89.15%
Walsin Technology Europe B.V.	100.00%	100.00%
Tsai Yi Corporation	26.62%	26.62%
Falcon Automation Equipment Corporation	43.90%	43.90%
Inpaq Technology Co., Ltd.	37.57%	34.76%
Silitech Technology Corporation	25.00%	25.00%
Soshin Electric Co., Ltd.	-	1.93%
Walsin New Energy Corporation	25.00%	25.00%
Walsin Electronics (S) Pte. Ltd.	100.00%	-

Refer to Table 7 “Information on Investees” to the financial statements for the nature of activities, principal places of business and countries of incorporation of the associates.

- e. Fair values (Level 1) of investments with available published price quotations were summarized as follows:

Name of Associate	December 31	
	2024	2023
Prosperity Dielectrics Co., Ltd.	<u>\$ 3,164,053</u>	<u>\$ 3,616,590</u>
HannStar Board Corp.	<u>\$ 5,255,657</u>	<u>\$ 5,938,171</u>
Inpaq Technology Co., Ltd.	<u>\$ 4,578,809</u>	<u>\$ 4,323,852</u>
Silitech Technology Corporation	<u>\$ 582,250</u>	<u>\$ 648,550</u>
Soshin Electric Co., Ltd.	<u>Note</u>	<u>\$ 21,367</u>

Note: Delisted from the Japan Exchange in July 2024.

- f. The share of profit or loss and other comprehensive income of the investments in subsidiaries and associates accounted for using the equity method for the years ended December 31, 2024 and 2023 were based on the associates' audited financial statements.

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and Improvements	Machinery and Equipment	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
<u>Cost</u>						
Balance at January 1, 2024	\$ 1,144,368	\$ 7,496,536	\$ 20,493,490	\$ 1,218,200	\$ 2,647,730	\$ 33,000,324
Additions	-	-	-	-	328,799	328,799
Disposals	-	(4,082)	(90,483)	(2,252)	(1,340)	(98,157)
Reclassified	-	493,629	2,051,638	54,329	(2,627,095)	(27,499)
Balance at December 31, 2024	<u>\$ 1,144,368</u>	<u>\$ 7,986,083</u>	<u>\$ 22,454,645</u>	<u>\$ 1,270,277</u>	<u>\$ 348,094</u>	<u>\$ 33,203,467</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2024	\$ -	\$ 3,282,225	\$ 15,928,650	\$ 953,792	\$ -	\$ 20,164,667
Disposals	-	(4,082)	(89,884)	(2,252)	-	(96,218)
Depreciation expense	-	439,652	2,266,214	126,495	-	2,832,361
Impairment losses recognized	-	-	(41,344)	-	-	(41,344)
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 3,717,795</u>	<u>\$ 18,063,636</u>	<u>\$ 1,078,035</u>	<u>\$ -</u>	<u>\$ 22,859,466</u>
Carrying amount at December 31, 2024	<u>\$ 1,144,368</u>	<u>\$ 4,268,288</u>	<u>\$ 4,391,009</u>	<u>\$ 192,242</u>	<u>\$ 348,094</u>	<u>\$ 10,344,001</u>
<u>Cost</u>						
Balance at January 1, 2023	\$ 1,144,368	\$ 7,096,784	\$ 19,062,090	\$ 1,165,034	\$ 4,394,316	\$ 32,862,592
Additions	-	-	-	-	278,440	278,440
Disposals	-	(6,137)	(110,446)	(17,178)	-	(133,761)
Reclassified	-	405,889	1,541,846	70,344	(2,025,026)	(6,947)
Balance at December 31, 2023	<u>\$ 1,144,368</u>	<u>\$ 7,496,536</u>	<u>\$ 20,493,490</u>	<u>\$ 1,218,200</u>	<u>\$ 2,647,730</u>	<u>\$ 33,000,324</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2023	\$ -	\$ 2,852,047	\$ 13,699,111	\$ 835,162	\$ -	\$ 17,386,320
Disposals	-	(6,137)	(86,629)	(15,840)	-	(108,606)
Depreciation expense	-	436,315	2,299,616	134,470	-	2,870,401
Impairment losses recognized	-	-	16,552	-	-	16,552
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 3,282,225</u>	<u>\$ 15,928,650</u>	<u>\$ 953,792</u>	<u>\$ -</u>	<u>\$ 20,164,667</u>
Carrying amount at December 31, 2023	<u>\$ 1,144,368</u>	<u>\$ 4,214,311</u>	<u>\$ 4,564,840</u>	<u>\$ 264,408</u>	<u>\$ 2,647,730</u>	<u>\$ 12,835,657</u>

- a. The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	15-51 years
Electrical mechanical and power equipment	10 years
Engineering system	8 years
Others	3-6 years
Machinery and equipment	2-7 years
Other equipment	2-8 years

- b. Transactions with related parties, please refer to Note 25 to the parent company only financial statements.

14. LEASE ARRANGEMENTS

- a. Right-of-use assets

	<u>December 31</u>	
	2024	2023
<u>Carrying amount</u>		
Land	\$ 174,260	\$ 182,697
Buildings	40,823	54,380
Transportation equipment	1,992	2,063
Other equipment	<u>-</u>	<u>1,470</u>
	<u>\$ 217,075</u>	<u>\$ 240,610</u>
	<u>For the Year Ended December 31</u>	
	2024	2023
Additions to right-of-use assets	<u>\$ 22,690</u>	<u>\$ 2,560</u>
Depreciation charge for right-of-use assets		
Land	\$ 16,429	\$ 15,915
Buildings	26,465	29,526
Transportation equipment	1,861	1,960
Other equipment	<u>1,470</u>	<u>1,645</u>
	<u>\$ 46,225</u>	<u>\$ 49,046</u>

- b. Lease liabilities

	<u>December 31</u>	
	2024	2023
<u>Carrying amount</u>		
Current	<u>\$ 47,319</u>	<u>\$ 54,767</u>
Non-current	<u>\$ 196,514</u>	<u>\$ 219,084</u>

Range of discount rates for lease liabilities were as follows:

	<u>December 31</u>	
	2024	2023
Land	0.90%-1.330%	0.90%-1.33%
Buildings	1.00%-1.725%	1.00%-1.725%
Transportation equipment	0.77%-4.930%	0.77%-4.93%
Other equipment	0.98%-1.000%	0.98%-1.00%

c. Other lease information

	<u>For the Year Ended December 31</u>	
	2024	2023
Expenses relating to short-term leases	<u>\$ 18,301</u>	<u>\$ 13,058</u>
Expenses relating to low-value asset leases	<u>\$ 173</u>	<u>\$ 351</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 4,163</u>	<u>\$ 1,481</u>
Total cash outflow for leases	<u>\$ (78,041)</u>	<u>\$ (73,385)</u>

15. INVESTMENT PROPERTIES (MEASURED AT COST MODEL)

	<u>December 31</u>	
	2024	2023
Cost - land	\$ 14,285	\$ 14,285
Accumulated impairment	<u>(9,833)</u>	<u>(9,833)</u>
	<u>\$ 4,452</u>	<u>\$ 4,452</u>

Due to the market's inactivity for comparable properties and a lack of alternative reliable measurements, the fair value of the Company's investment properties is not available.

The Company's land revaluation increments as of December 31, 2024 and 2023 were both \$6,556 thousand.

16. BORROWINGS

a. Short-term borrowings

	<u>December 31</u>			
	<u>2024</u>		<u>2023</u>	
	<u>Interest Rate</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Amount</u>
<u>Unsecured borrowings</u>				
Line of credit borrowings	1.74%-1.99%	<u>\$ 8,340,000</u>	0.45%-1.77%	<u>\$ 6,942,979</u>

b. Long-term borrowings

	<u>December 31</u>	
	2024	2023
Taipei Fubon Bank		
Unsecured loan; loan period is from November 29, 2024 to November 29, 2027. The principal is repayable in full upon maturity.	\$ 1,500,000	\$ -
Taishin Bank		
Unsecured loan; loan period is from May 9, 2024 to March 31, 2027. The principal is repayable in full upon maturity.	1,000,000	-
		(Continued)

	December 31	
	2024	2023
Bank of Taiwan		
Unsecured loan; loan period is from November 30, 2023 to August 15, 2026. The principal is repayable on November 15, 2025.	\$ 576,000	\$ 576,000
Unsecured loan; loan period is from August 15, 2023 to August 15, 2026. The principal is repayable on November 15, 2025.	2,911,000	2,911,000
Unsecured loan; loan period is from May 9, 2024 to April 15, 2027. The principal is repayable on July 15, 2026.	1,000,000	-
Unsecured loan; loan period is from March 18, 2020 to March 18, 2025. The principal is repayable on April 15, 2023.	4,089	20,439
Unsecured loan; loan period is from April 8, 2020 to March 18, 2025. The principal is repayable on April 15, 2023.	5,430	27,153
Unsecured loan; loan period is from May 7, 2020 to March 18, 2025. The principal is repayable on April 15, 2023.	5,540	27,700
Unsecured loan; loan period is from July 8, 2020 to March 18, 2025. The principal is repayable on April 15, 2023.	2,185	10,931
Unsecured loan; loan period is from July 20, 2020 to March 18, 2025. The principal is repayable on April 15, 2023.	660	3,300
Unsecured loan; loan period is from August 10, 2020 to March 18, 2025. The principal is repayable on April 15, 2023.	7,684	38,419
Unsecured loan; loan period is from September 8, 2020 to March 18, 2025. The principal is repayable on April 15, 2023.	8,579	42,894
Unsecured loan; loan period is from October 8, 2020 to March 18, 2025. The principal is repayable on April 15, 2023.	8,299	41,494
Unsecured loan; loan period is from November 9, 2020 to March 18, 2025. The principal is repayable on April 15, 2023.	8,395	41,975
Unsecured loan; loan period is from December 9, 2020 to March 18, 2025. The principal is repayable on April 15, 2023.	7,232	36,162
Unsecured loan; loan period is from January 8, 2021 to March 18, 2025. The principal is repayable on April 15, 2023.	4,406	22,032
E.SUN Bank		
Unsecured loan; loan period is from December 13, 2024 to December 13, 2027. The principal is repayable on March 13, 2027.	1,000,000	-
Unsecured loan; loan period is from April 8, 2020 to March 15, 2025. The principal is repayable on April 15, 2023.	75,000	375,000

(Continued)

	December 31	
	2024	2023
Unsecured loan; loan period is from April 20, 2020 to March 15, 2025. The principal is repayable on April 15, 2023.	\$ 50,000	\$ 250,000
Cathay Bank		
Unsecured loan; loan period is from July 30, 2024 to August 26, 2026. The principal is repayable in full upon maturity.	180,000	-
Unsecured loan; loan period is from July 19, 2023 to August 26, 2025. The principal is repayable in full upon maturity. As of December 31, 2024, the principal has been repaid in full in advance.	-	180,000
First Bank		
Unsecured loan; loan period is from May 9, 2024 to May 9, 2027. The principal is repayable in full upon maturity.	1,600,000	-
Unsecured loan; loan period is from June 21, 2024 to June 21, 2027. The principal is repayable in full upon maturity.	400,000	-
Unsecured loan; loan period is from April 9, 2021 to March 15, 2026. The principal is repayable from April 15, 2024.	36,575	58,520
Unsecured loan; loan period is from May 10, 2021 to March 15, 2026. The principal is repayable from April 15, 2024.	31,981	51,170
Unsecured loan; loan period is from August 12, 2021 to March 15, 2026. The principal is repayable from April 15, 2024.	111,950	179,120
Unsecured loan; loan period is from August 26, 2021 to March 15, 2026. The principal is repayable from April 15, 2024.	187,500	300,000
Unsecured loan; loan period is from August 27, 2021 to March 15, 2026. The principal is repayable from April 15, 2024.	231,250	370,000
Unsecured loan; loan period is from September 22, 2021 to March 15, 2026. The principal is repayable from April 15, 2024.	25,744	41,190
Unsecured loan; loan period is from April 30, 2020 to April 15, 2025. The principal is repayable from May 15, 2023.	56,667	226,667
Unsecured loan; loan period is from May 8, 2020 to April 15, 2025. The principal is repayable from May 15, 2023.	26,667	106,667
Unsecured loan; loan period is from November 30, 2021 to November 15, 2026. The principal is repayable from December 15, 2024.	479,167	500,000
KGI Bank		
Unsecured loan; loan period is from November 26, 2024 to September 21, 2026. The principal is repayable in full upon maturity.	1,000,000	-
Unsecured loan; loan period is from September 25, 2023 to September 12, 2026. The principal is repayable from September 12, 2025. As of December 31, 2024, the principal has been repaid in full in advance.	-	860,000

(Continued)

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Chang Hwa Bank		
Unsecured loan; loan period is from September 13, 2021 to April 15, 2025. The principal is repayable from May 15, 2023.	\$ 30,000	\$ 120,000
Unsecured loan; loan period is from November 12, 2021 to April 15, 2025. The principal is repayable from May 15, 2023.	47,500	190,000
Unsecured loan; loan period is from December 30, 2021 to April 15, 2025. The principal is repayable from May 15, 2023.	39,167	156,666
Unsecured loan; loan period is from May 8, 2020 to April 15, 2025. The principal is repayable from May 15, 2023.	1,667	6,667
Far Eastern Bank		
Unsecured loan; loan period is from May 9, 2024 to May 7, 2027. The principal is repayable on May 9, 2026.	1,200,000	-
Unsecured loan; loan period is from September 26, 2024 to August 9, 2027. The principal is repayable in full upon maturity	300,000	-
Unsecured loan; loan period is from September 30, 2022 to September 30, 2025. The principal is repayable in full upon maturity. As of December 31, 2024, the principal has been repaid in full in advance.	-	180,000
Less: Current portion	<u>(2,010,917)</u>	<u>(1,750,833)</u>
Long-term borrowings total	<u>\$ 12,149,417</u>	<u>\$ 6,200,333</u> (Concluded)

Note: The annual effective interest rate intervals of the above-mentioned borrowings for the years ended December 31, 2024 and 2023 were 1.325%-2.050% and 1.200%-1.830%, respectively.

The Company should maintain certain financial ratios in its annual audited and semiannual reviewed consolidated financial statements during the loan duration. The Company's financial statements for the years ended December 31, 2024 and 2023 showed that the Company was in compliance with the agreed financial ratio requirements.

17. BONDS PAYABLE

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Unsecured domestic convertible bonds	\$ -	\$ 4,778,445
Less: Current portion	<u>-</u>	<u>(4,778,445)</u>
	<u>\$ -</u>	<u>\$ -</u>

On April 29, 2020, the Company issued the first four-year unsecured convertible bonds in Taiwan, with a total amount of \$4,800,000 thousand, face value of \$100 thousand and coupon rate of 0%. Besides, the terms and conditions of the bonds are as follows:

- a. Conversion period: Between July 30, 2020 and April 29, 2024.

- b. Conversion price: The initial conversion price was \$240 per share. Afterwards, there was subsequent change in share capital (i.e., issuance of share dividends, free allotment of shares, and cash capital increase, etc.). The conversion price shall be adjusted according to the prescribed calculation. The conversion price on December 31 2023 was \$210.2 per share.
- c. Redemption:
- 1) Redeem the bonds upon maturity: The principal is fully redeemed upon maturity.
 - 2) Redeem the bonds in advance: The Company may redeem the bonds, in whole or in part at face value from the date following 3 months of the expiry of the issuance to the 40th day before the expiry of the issuance period, if the closing price of the ordinary shares on the TWSE, for a period of 30 consecutive trading days, exceeds the conversion price by 30% (inclusive).

The Company may redeem the bonds at face value from the date following 3 months of the expiry of the issuance to the 40th day before the expiry of the issuance period if the bonds outstanding balance is lower than 10% of the total issuance amount.

- d. The convertible bonds contain both liability and equity components. The equity component was presented in equity under capital surplus - options. The effective interest rate of the liability component was 1.318% per annum on initial recognition.

Proceeds from issuance (less transaction costs of \$5,000 thousand)	\$ 4,795,000
Equity components	<u>(253,440)</u>
Liability components at the date of issue	4,541,560
FVTPL	12,000
Interest charged at an effective interest rate of 1.318%	225,842
Convertible bonds converted into ordinary shares	<u>(957)</u>
Liability components at December 31, 2023	4,778,445
Interest charged at an effective interest rate of 1.318%	20,555
Convertible bonds converted into ordinary shares	(100)
Redeem the bonds upon maturity	<u>4,798,900</u>
Liability components at December 31, 2024	<u>\$ _____ -</u>

18. RETIREMENT BENEFIT PLANS

- a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company make monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

- b. Defined benefit plans

The defined benefit plans adopted by the Company are in accordance with the Labor Standards Act and are operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contribute amounts based on 3% of monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of

Labor Funds, Ministry of Labor (the “Bureau”); the Company has no right to influence the investment policy and strategy.

The amounts included in the parent company only balance sheets in respect of the Company’s defined benefit plans were as follows:

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Present value of defined benefit obligation	\$ 212,027	\$ 221,993
Fair value of plan assets	<u>(170,039)</u>	<u>(163,648)</u>
Deficit	<u>41,988</u>	<u>58,345</u>
Net defined benefit liabilities	<u>\$ 41,988</u>	<u>\$ 58,345</u>

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2024	\$ <u>221,993</u>	\$ (163,648)	\$ <u>58,345</u>
Service cost			
Current service cost	947	-	947
Net interest expense (income)	<u>2,776</u>	<u>(2,081)</u>	<u>695</u>
Recognized in profit or loss	<u>3,723</u>	<u>(2,081)</u>	<u>1,642</u>
Remeasurement			
Actuarial loss - changes in financial assumptions	(133)	-	(133)
Actuarial profit - experience adjustments	3,268	-	3,268
Return on the plan assets	<u>-</u>	<u>(15,506)</u>	<u>(15,506)</u>
Recognized in other comprehensive income	<u>3,135</u>	<u>(15,506)</u>	<u>(12,371)</u>
Contributions from the employer	<u>-</u>	<u>(5,628)</u>	<u>(5,628)</u>
Benefits paid from the plan assets	<u>(16,824)</u>	<u>16,824</u>	<u>-</u>
Balance at December 31, 2024	\$ <u>212,027</u>	\$ (170,039)	\$ <u>41,988</u>
Balance at January 1, 2023	\$ <u>215,471</u>	\$ (188,716)	\$ <u>26,755</u>
Service cost			
Current service cost	1,083	-	1,083
Net interest expense (income)	<u>3,232</u>	<u>(2,870)</u>	<u>362</u>
Recognized in profit or loss	<u>4,315</u>	<u>(2,870)</u>	<u>1,445</u>
Remeasurement			
Actuarial profit - changes in financial assumptions	5,221	-	5,221
Actuarial profit - experience adjustments	35,431	-	35,431
Return on the plan assets	<u>-</u>	<u>(1,107)</u>	<u>(1,107)</u>
Recognized in other comprehensive income	<u>40,652</u>	<u>(1,107)</u>	<u>(39,545)</u>
Contributions from the employer	<u>-</u>	<u>(5,498)</u>	<u>(5,498)</u>
Benefits paid from the plan assets	<u>(34,543)</u>	<u>34,543</u>	<u>-</u>
Benefits paid directly by the Company	<u>(3,902)</u>	<u>-</u>	<u>(3,902)</u>
Balance at December 31, 2023	\$ <u>221,993</u>	\$ (163,648)	\$ <u>58,345</u>

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation of the Company were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2024	2023
Discount rates	1.50%	1.25%
Expected rates of salary increase	2.75%	2.50%

If possible reasonable change in each of the significant actuarial assumptions occurs and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2024	2023
Discount rate		
0.25% increase	\$ (4,660)	\$ (5,221)
0.25% decrease	<u>\$ 4,819</u>	<u>\$ 5,407</u>
Expected rate of salary increase		
0.25% increase	<u>\$ 4,672</u>	<u>\$ 5,241</u>
0.25% decrease	<u>\$ (4,541)</u>	<u>\$ (5,087)</u>

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2024	2023
The expected contributions to the plan for the next year	<u>\$ 5,946</u>	<u>\$ 5,586</u>
The average duration of the defined benefit obligation	8.9 years	9.5 years

19. EQUITY

a. Share capital

Ordinary shares

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Number of shares authorized (in thousands)	<u>800,000</u>	<u>800,000</u>
Shares authorized	<u>\$ 8,000,000</u>	<u>\$ 8,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>485,805</u>	<u>485,804</u>
Shares issued	<u>\$ 4,858,048</u>	<u>\$ 4,858,043</u>

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and carry a right to dividends.

b. Capital surplus

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*</u>		
Issuance of ordinary shares	\$ 946,291	\$ 692,809
Conversion of bonds	1,428,808	1,428,808
The difference between consideration received or paid and the carrying amount of subsidiaries' net assets during actual acquisition	30,800	-
Treasury share transactions	574,608	574,608
<u>May be used to offset a deficit only</u>		
Share of changes in capital surplus of associates	181,389	166,745
Others	55	55
<u>Not for other usage</u>		
Share warrants	<u>-</u>	<u>253,387</u>
	<u>\$ 3,161,951</u>	<u>\$ 3,116,412</u>

* Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Company's articles of incorporation (the "Articles"), where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors in the Articles, refer to employees' compensation and remuneration of directors in Note 20(b) to the parent company only financial statements.

The Company's Articles also provide that the profit of the Company may be distributed in the form of either cash or share dividends, but the total share dividends distributed shall not exceed 50% of the total dividends distributed. However, should the Company obtain sufficient funds to meet the year's funding requirements, the cash distribution ratio can be raised to 100%. The Company should decide on the most appropriate dividend distribution policy based on the current year's actual operating condition and the following year's capital budget.

The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2023 and 2022 approved in the shareholders' meeting on June 13, 2024 and June 20, 2023, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For the Year Ended December 31		For the Year Ended December 31	
	2023	2022	2023	2022
Legal reserve	\$ 228,602	\$ 175,643	\$ -	\$ -
Cash dividends	1,044,479	1,165,930	2.15	2.4

d. Special reserve

	For the Year Ended December 31	
	2024	2023
Balance of beginning	<u>\$ 1,096,797</u>	<u>\$ 1,096,797</u>
Balance of ending	<u>\$ 1,096,797</u>	<u>\$ 1,096,797</u>

As the increase in retained earnings of \$1,098,575 thousand generated from the initial application of IFRS Accounting Standards was insufficient for appropriation as dividends, it was appropriated to a special reserve. As the special reserve appropriated by foreign operations (including subsidiaries) due to the exchange differences upon translation of their financial statements was reversed in proportion to the Company's disposal of the foreign operations; upon the Company's loss of significant influence, the entire special reserve relating to exchange differences arising from those foreign operations will be reversed. As of December 31, 2024 and 2023, the Company accumulated the reversed amount of \$1,778 thousand from the special reserve, and the remaining amount was \$1,096,797 thousand.

e. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Balance at January 1	\$ (1,678,514)	\$ (1,191,536)
Share from associates accounted for using the equity method	<u>1,911,704</u>	<u>(486,978)</u>
Balance at December 31	<u>\$ 233,190</u>	<u>\$ (1,678,514)</u>

2) Unrealized gain (loss) on financial assets at FVTOCI

	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Balance at January 1	\$ 5,163,892	\$ 3,503,533
Unrealized (loss) gain on investments in equity instruments at FVTOCI	(1,240,018)	1,241,401
Share of other comprehensive income from associates accounted for using the equity method	(602,190)	772,987
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	<u>(48,179)</u>	<u>(354,029)</u>
Balance at December 31	<u>\$ 3,273,505</u>	<u>\$ 5,163,892</u>

f. Treasury shares

Treasury share transactions on December 31, 2024 and 2023 were summarized as follows:

	Unit: Shares			
	<u>For the Year Ended December 31, 2024</u>			
Purpose of Acquisition	Treasury Shares Held as of January 1, 2024	Increase During the Year	Decrease During the Year	Treasury Shares Held as of December 31, 2024
Treasury shares granted to employees	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
	<u>For the Year Ended December 31, 2023</u>			
Purpose of Acquisition	Treasury Shares Held as of January 1, 2023	Increase During the Year	Decrease During the Year	Treasury Shares Held as of December 31, 2023
Treasury shares granted to employees	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>

Pursuant to the Securities and Exchange Act of the ROC, the treasury shares held by the Company should not be pledged as collateral, are not eligible for dividends and do not have voting rights.

20. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

a. Main categories of expenses

	For the Year Ended December 31					
	2024			2023		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits						
Short-term employee benefits	\$ 1,513,851	\$ 396,775	\$ 1,910,626	\$ 1,025,585	\$ 376,599	\$ 1,402,184
Health insurance and labor insurance	161,502	34,499	196,001	132,336	33,861	166,197
Post-employment benefits	56,361	16,505	72,866	46,586	15,844	62,430
Remuneration of directors	-	34,229	34,229	-	22,117	22,117
Other employee benefits	105,276	21,757	127,033	86,964	17,913	104,877
Depreciation	2,805,553	73,033	2,878,586	2,828,712	90,735	2,919,447
Amortization	909	34,950	35,859	245	40,519	40,764

Note 1: As of December 31, 2024 and 2023, the Company had 2,750 and 2,693 employees, respectively. There were both 5 non-employee directors, respectively.

Note 2: Average labor cost for the years ended December 31, 2024 and 2023 was \$840 thousand and \$646 thousand, respectively.

Note 3: Average salary and bonus for the years ended December 31, 2024 and 2023 were \$696 thousand and \$522 thousand, respectively. The average salary and bonus increased by 33% year over year.

Note 4: The Company did not have supervisors for the years ended December 31, 2024 and 2023.

Note 5: The Company's policy for remuneration of directors, independent directors, managers, and employees is as follows:

- a) Directors and independent directors
 - i. Fixed compensation: A monthly salary is reviewed by the compensation committee then submitted to the board of directors for approval.
 - ii. Variable compensation: According to the Company's Articles of Incorporation.
- b) The total remuneration paid to the executive officers is decided based on company performance, department performance, and personal performance and refers to industry norms.
- c) The total compensation paid to employees is decided based on the Company's policies.
- d) The total remuneration paid to the board of directors and the executive officers is reviewed by the compensation committee regularly.

b. Employees' compensation and remuneration of directors

The Company accrues employees' compensation and remuneration of directors at the rates of 2%-10% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors.

The employees' compensation and remuneration of directors for the years ended December 31, 2024 and 2023, which had been approved by the Company's board of directors on February 20, 2025 and February 23, 2024, respectively, were as follows:

	<u>For the Year Ended December 31</u>	
	2024	2023
<u>Accrual rate</u>		
Employees' compensation	2.25%	2.25%
Remuneration of directors	1.00%	1.00%
	Cash	
	<u>For the Year Ended December 31</u>	
	2024	2023
<u>Amounts</u>		
Employees' compensation	\$ 76,449	\$ 49,196
Remuneration of directors	33,977	21,865

If there is a change in the amounts after the annual parent company only financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate and adjusted in the following year.

There was no significant difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the parent company only financial statements for the years ended December 31, 2023 and 2022.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

21. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Major components of income tax expense were as follows:

	<u>For the Year Ended December 31</u>	
	2024	2023
Current tax		
In respect of the current period	\$ 224,200	\$ 284,800
Income tax on unappropriated earnings	50,647	20,712
Adjustments for prior periods	<u>(81,038)</u>	<u>(120,688)</u>
	193,809	184,824
Deferred tax		
In respect of the current period	<u>111,000</u>	<u>(54,000)</u>
Income tax expense recognized in profit or loss	<u>\$ 304,809</u>	<u>\$ 130,824</u>

b. The reconciliation of accounting profit and taxable income was as follows:

	For the Year Ended December 31	
	2024	2023
Income tax expense calculated at the statutory rate (20%)	\$ 657,000	\$ 423,000
Nondeductible in determining taxable income	(432,800)	(138,200)
Recognition and reversal of temporary differences	111,000	(54,000)
Income tax on unappropriated earnings	50,647	20,712
Adjustments for prior periods	<u>(81,038)</u>	<u>(120,688)</u>
Income tax expense recognized in profit or loss	<u>\$ 304,809</u>	<u>\$ 130,824</u>

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2024

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Closing Balance
Temporary differences			
Book-tax difference of property, plant and equipment	\$ 42,000	\$ (8,000)	\$ 34,000
Exchange differences on translating the financial statements of foreign operations	48,000	(48,000)	-
Payables for annual leave	8,000	-	8,000
Allowance for impairment loss - inventory	64,000	1,000	65,000
Others	<u>81,000</u>	<u>5,000</u>	<u>86,000</u>
	<u>\$ 243,000</u>	<u>\$ (50,000)</u>	<u>\$ 193,000</u>
Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Closing Balance
Temporary differences			
Provisions	\$ (3,964)	\$ -	\$ (3,964)
Defined benefit obligations	(21,000)	(1,000)	(22,000)
Allowance for impairment loss - trade receivables	(6,000)	(1,000)	(7,000)
Exchange differences on translating the financial statements of foreign operations	-	(55,000)	(55,000)
Others	<u>(15,000)</u>	<u>(4,000)</u>	<u>(19,000)</u>
	<u>\$ (45,964)</u>	<u>\$ (61,000)</u>	<u>\$ (106,964)</u>

For the year ended December 31, 2023

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Closing Balance
Temporary differences			
Book-tax difference of property, plant and equipment	\$ 38,000	\$ 4,000	\$ 42,000
Exchange differences on translating the financial statements of foreign operations	-	48,000	48,000
Payables for annual leave	8,000	-	8,000
Allowance for impairment loss - inventory	63,000	1,000	64,000
Others	<u>83,000</u>	<u>(2,000)</u>	<u>81,000</u>
	<u>\$ 192,000</u>	<u>\$ 51,000</u>	<u>\$ 243,000</u>
Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Closing Balance
Temporary differences			
Provisions	\$ (3,964)	\$ -	\$ (3,964)
Defined benefit obligations	(20,000)	(1,000)	(21,000)
Allowance for impairment loss - trade receivables	(6,000)	-	(6,000)
Exchange differences on translating the financial statements of foreign operations	(4,000)	4,000	-
Others	<u>(15,000)</u>	<u>-</u>	<u>(15,000)</u>
	<u>\$ (48,964)</u>	<u>\$ 3,000</u>	<u>\$ (45,964)</u>

d. Status of income tax assessment

The income tax returns of the Company through 2021 have been assessed and approved by the tax authorities.

e. Pillar Two income tax legislation

Taiwan, where the Company is incorporated, has not yet enacted the Pillar Two income tax legislation and the Company has no related current tax exposure.

22. EARNINGS PER SHARE

Earnings per share on December 31, 2024 and 2023 were calculated as follows:

	For the Year Ended December 31, 2024		
	Amount (In Thousands) After Income Tax (Attributable to Owners of the Company)	Number of Shares (In Thousands)	Earnings Per Share (In Dollars) After Income Tax (Attributable to Owners of the Company)
Basic earnings per share - ordinary shares	\$ 2,982,507	484,805	\$ <u>6.15</u>
Compensation of employees	-	888	
Interest on convertible bonds (after tax)	<u>16,444</u>	<u>7,506</u>	
Diluted earnings per share - ordinary shares	<u>\$ 2,998,951</u>	<u>493,199</u>	<u>\$ 6.08</u>

	For the Year Ended December 31, 2023		
	Amount (In Thousands) After Income Tax (Attributable to Owners of the Company)	Number of Shares (In Thousands)	Earnings Per Share (In Dollars) After Income Tax (Attributable to Owners of the Company)
Basic earnings per share - ordinary shares	\$ 1,984,596	484,804	\$ <u>4.09</u>
Compensation of employees	-	458	
Interest on convertible bonds (after tax)	<u>50,007</u>	<u>22,831</u>	
Diluted earnings per share - ordinary shares	<u>\$ 2,034,603</u>	<u>508,093</u>	<u>\$ 4.00</u>

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

23. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

24. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

The management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values. There were no major differences between the carrying amounts and fair values as of December 31, 2024 and 2023.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	\$ 240,300	\$ -	\$ -	\$ 240,300
Limited partnerships	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
	<u>\$ 240,300</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 290,300</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 5,373,492	\$ 1,740,258	\$ -	\$ 7,113,750
Domestic unlisted shares	<u>-</u>	<u>258,881</u>	<u>-</u>	<u>258,881</u>
	<u>\$ 5,373,492</u>	<u>\$ 1,999,139</u>	<u>\$ -</u>	<u>\$ 7,372,631</u>

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	\$ 146,530	\$ -	\$ -	\$ 146,530
Limited partnerships	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>25,000</u>
	<u>\$ 146,530</u>	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ 171,530</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 4,673,874	\$ -	\$ -	\$ 4,673,874
Domestic unlisted shares	<u>-</u>	<u>436,830</u>	<u>-</u>	<u>436,830</u>
	<u>\$ 4,673,874</u>	<u>\$ 436,830</u>	<u>\$ -</u>	<u>\$ 5,110,704</u>

There were no transfers between Levels 1 and 2 for the years ended December 31, 2024 and 2023.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Domestic unlisted equity securities	Evaluated by asset-based approach to determine the value of the equity securities
Private - placement shares of domestic listed companies	Refers to calculated based on the observable stock prices and the liquidity discount at the end of the reporting period.

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of domestic unlisted equity securities and limited partnerships were determined using the asset-based approach. The significant unobservable inputs are the liquidity discount of multiplier of price-book ratio and value of net assets. An increase in price-book ratio would result in an increase in the fair value. An increase in liquidity discount would result in a decrease in the fair value.

c. Categories of financial instruments

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Financial assets</u>		
Financial assets at amortized cost		
Cash and cash equivalents	\$ 996,940	\$ 403,873
Financial assets at amortized cost (current and non-current)	7,130,478	7,607,130
Notes receivable from unrelated parties	9,409	7,170
Trade receivables from unrelated parties	1,186,473	1,035,131
Trade receivables from related parties	2,460,087	1,838,239
Finance lease receivables (current and non-current)	38,205	51,888
Other receivables from unrelated parties	194,972	203,005
Other receivables from related parties	413,088	606,745
Guarantee deposits paid	46,159	27,646
Financial assets at FVTPL (current and non-current)	290,300	171,530
Financial assets at FVTOCI - non-current	7,372,631	5,110,704
<u>Financial liabilities</u>		
Financial liabilities at amortized cost		
Short-term borrowings	8,340,000	6,942,979
Trade payables to unrelated parties	1,309,758	1,149,353
Trade payables to related parties	1,350,156	1,225,727
Payables for equipment	212,409	513,350
Other payables	1,611,273	1,477,754
Current portion of long-term borrowings	2,010,917	1,750,833
Current portion of Bonds payable	-	4,778,445
Long-term borrowings	12,149,417	6,200,333
Guarantee deposits received	3,603	3,454

d. Financial risk management objectives and policies

The Company's major financial instruments included equity and debt investments, trade receivables, trade payables and borrowings. The Company's corporate treasury function manages its exposure to market risk (including foreign currency risk and interest risk), credit risk and liquidity risk with the objective to reduce the potentially adverse effects the market uncertainties may have on its financial performance.

1) Market risk

The Company is exposed primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

a) Foreign currency risk

Several subsidiaries of the Company had foreign currency sales and purchases, which exposed the Company to foreign currency risk. The Company's transactions were denominated in different foreign currencies at the same time that have natural offsetting effect; thus, the related risks are reduced.

To protect against reductions in the value of foreign assets and the volatility of future cash flows caused by changes in foreign exchange rates, the Company utilizes short-term borrowings and derivative financial instruments, including currency forward contracts to hedge its foreign currency exposure.

The following table details the Company's sensitivity to a 1% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items at the end of the reporting period.

	USD Impact		JPY Impact		RMB Impact	
	For the Year Ended		For the Year Ended		For the Year Ended	
	December 31		December 31		December 31	
	2024	2023	2024	2023	2024	2023
Profit or loss	\$ 95,327	\$ 87,798	\$ 2,629	\$ (369)	\$ 18	\$ 1,018

b) Interest rate risk

Interest rate risk refers to the risk that the changes in fair value of financial instruments due to changes in market interest rates. The Company was exposed to interest rate risk mainly arising from fixed-income investments and borrowings at floating interest rates.

For assets and liabilities with floating interest rates, if interest rates had been 1% higher or lower as of balance sheets date and all other variables held constant, the Company's profit before income tax for the ended December 31, 2024 and 2023 would have decreased approximately by \$225,003 thousand and \$148,941 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company is exposed to credit risk from operating activities, primarily trade receivables, and from investing activities, primarily deposits, fixed-income investments and other financial instruments with banks.

In order to maintain the quality of trade receivables, the management of the Company has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Company reviews the recoverable amount of each individual trade receivable at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts.

The credit risks of bank deposits, fixed-income investments and other financial instruments from investing activities are considered insignificant because the counterparties were all banks with high credit ratings and it is expected that the counterparties will not break the contracts above.

3) Liquidity risk

The objective of liquidity risk management is to ensure the Company has sufficient liquidity to fund its business requirements associated with existing operations. The Company manages its liquidity risk by maintaining adequate fixed-income investments and banking facilities.

Liquidity and interest rate tables for non-derivative financial liabilities

December 31, 2024

	On Demand or Less than 1 Year	More than 1 Year	Total
<u>Non-derivative financial liabilities</u>			
Variable interest rate liabilities	\$ 10,350,917	\$ 12,149,417	\$ 22,500,334
Lease liabilities	<u>47,319</u>	<u>196,514</u>	<u>243,833</u>
	<u>\$ 10,398,236</u>	<u>\$ 12,345,931</u>	<u>\$ 22,744,167</u>

December 31, 2023

	On Demand or Less than 1 Year	More than 1 Year	Total
<u>Non-derivative financial liabilities</u>			
Variable interest rate liabilities	\$ 8,693,812	\$ 6,200,333	\$ 14,894,145
Lease liabilities	<u>54,767</u>	<u>219,084</u>	<u>273,851</u>
	<u>\$ 8,748,579</u>	<u>\$ 6,419,417</u>	<u>\$ 15,167,996</u>

25. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Company and other related parties are disclosed below.

a. Related party name and categories

<u>Related Party Name</u>	<u>Related Party Category</u>
Walsin Lihwa Corporation	Investor company that account for the Company using the equity method
Prosperity Dielectrics Co., Ltd.	Subsidiary
Inpaq Technology Co., Ltd.	Subsidiary
Taiwan Inpaq electronic Co., Ltd.	Subsidiary
Soshin Electric Co., Ltd.	Subsidiary
Walsin Technology Europe B.V.	Subsidiary
KAMAYA, Inc.	Subsidiary
Kamaya Electric Co., Ltd.	Subsidiary
Kamaya Electric (HK) Limited	Subsidiary
Kamaya Electric (M) Sdn. Bhd.	Subsidiary
Nitsuko Electronics Corporation (“NTK”)	Subsidiary
Dongguan Walsin Technology Electronics Co., Ltd.	Subsidiary
Walsin Technology Corporation (HK) Limited	Subsidiary
Suzhou Walsin Technology Electronics Co., Ltd.	Subsidiary
Pan Overseas (Guangzhou) Electronic Co., Ltd.	Subsidiary
Walsin Passive Component (H.K.) Limited	Subsidiary
Walsin Technology Corporation U.S.A.	Subsidiary
Walsin Technology Holding Corporation (HK) Limited	Subsidiary
Walsin Electronics (S) Pte. Ltd.	Subsidiary
Inpaq Technology (Suzhou) Co., Ltd.	Subsidiary
Inpaq Technology (China) Co., Ltd.	Subsidiary
Eleceram Technology Co., Ltd.	Subsidiary
Silitech Technology Corporation	Associate
HannStar Board Corp.	Associate
Global Brands Manufacture Ltd.	Associate
Falcon Automation Equipment Corporation	Associate
Chongqing Songjia Property Co., Ltd.	Associate
Tsai Yi Corporation	Associate
Matsuo Electric Co., Ltd.	Associate
VVG Inc.	Associate
Joyin Co., Ltd.	Associate
Walsin New Energy Corporation	Associate
GBM Electronics (M) SDN. BHD.	Associate
Career Technology (Mfg.) Co., Ltd.	Other related party
Walton Advanced Engineering Inc.	Other related party
Info-Tek Corporation	Other related party
Walsin Technology Charitable Group	Other related party
Callisto Holding Limited	Other related party
Chin-Xin Investment Co., Ltd.	Other related party
Winbond Electronics Corporation	Other related party
PSA Charitable Foundation	Other related party
PSA VVG Culture and Arts Foundation	Other related party

b. Details of transactions

1) Sales and purchases of goods

	Sales of goods	
	For the Year Ended December 31	
	2024	2023
Subsidiaries		
Dongguan Walsin Technology Electronics Co., Ltd.	\$ 6,676,539	\$ 6,441,715
Suzhou Walsin Technology Electronics Co., Ltd.	1,988,648	1,859,684
Other	1,937,130	1,455,222
Associates	3,825	13
Other related parties	<u>3,685</u>	<u>1,870</u>
	<u>\$ 10,609,827</u>	<u>\$ 9,758,504</u>

Price and terms were determined in accordance with mutual agreements.

	Purchases of goods	
	For the Year Ended December 31	
	2024	2023
Subsidiaries		
Walsin Technology Corporation (HK) Limited	\$ 2,234,724	\$ 2,418,894
Prosperity Dielectrics Co., Ltd.	839,030	841,538
Kamaya Electric Co., Ltd.	474,931	435,871
Other	819,289	489,768
Associates	<u>15,818</u>	<u>15,142</u>
	<u>\$ 4,383,792</u>	<u>\$ 4,201,213</u>

Price and terms were determined in accordance with mutual agreements.

2) The balances at the end of the reporting period were as follows:

	Trade Receivables from Related Parties	
	December 31	
	2024	2023
Subsidiaries		
Dongguan Walsin Technology Electronics Co., Ltd.	\$ 1,256,543	\$ 985,023
Suzhou Walsin Technology Electronics Co., Ltd.	559,198	424,155
Others	640,769	428,522
Associates	1,758	-
Other related parties	<u>1,819</u>	<u>539</u>
	<u>\$ 2,460,087</u>	<u>\$ 1,838,239</u>

Trade Payables to Related Parties		
December 31		
	2024	2023
Subsidiaries		
Walsin Technology Corporation (HK) Limited	\$ 643,155	\$ 668,407
Prosperity Dielectrics Co., Ltd.	248,743	281,448
Kamaya Electric Co., Ltd.	197,709	156,413
Others	257,269	115,459
Associates	<u>3,280</u>	<u>4,000</u>
	<u>\$ 1,350,156</u>	<u>\$ 1,225,727</u>
Other Receivables from Related Parties		
December 31		
	2024	2023
Subsidiaries		
Kamaya Electric Co., Ltd.	\$ 127,040	\$ 306,065
Kamaya Electric (M) Sdn. Bhd.	249,049	257,228
Others	29,539	33,659
Associates	4,714	5,575
Other related parties	<u>2,746</u>	<u>4,218</u>
	<u>\$ 413,088</u>	<u>\$ 606,745</u>
Payables for Equipment and Other Payables		
December 31		
	2024	2023
Subsidiaries	\$ 13,433	\$ 33,963
Associates	3,954	8,196
Other related parties	1,797	1,130
Investors employing the equity method for the Company	<u>1,162</u>	<u>1,560</u>
	<u>\$ 20,346</u>	<u>\$ 44,849</u>

The outstanding trade receivables from related parties are unsecured. No allowance was recognized for impairment of trade receivables with respect to the amounts owed by related parties for the years ended December 31, 2024 and 2023.

The outstanding trade payables from related parties are unsecured.

Other receivables include receivables from the short-term financing and receipts under custody.

Other payables mainly refer to payables for rent and collection and payment on behalf of another party, etc.

3) Acquisition of asset

Related Party Categories	Item	Purchase Price	
		For the Year Ended December 31	
		2024	2023
Subsidiaries	Machinery, other equipment and right-of-use asset	\$ 12,908	\$ 73,113
Associates	Machinery	-	57,540
Other related parties	Building	-	21,042
		<u>\$ 12,908</u>	<u>\$ 151,695</u>

4) Disposal of asset

Related Party Category	Item	Disposal Price		Gain on Disposal	
		For the Year Ended December 31		For the Year Ended December 31	
		2024	2023	2024	2023
Subsidiaries	Machinery, instruments and information equipment	\$ 2,456	\$ 1,169	\$ 905	\$ 706
Associates	Transport equipment and information equipment	-	1,103	-	-
		<u>\$ 2,456</u>	<u>\$ 2,272</u>	<u>\$ 905</u>	<u>\$ 706</u>

5) Dividends income

	For the Year Ended December 31	
	2024	2023
Walsin Lihwa Corporation	\$ 54,158	\$ 88,622
Chin-Xin Investment Co., Ltd.	4,516	10,838
Other related parties	6,498	4,781
	<u>\$ 65,172</u>	<u>\$ 104,241</u>

6) Sales of raw materials and supplies (classified as other income)

	For the Year Ended December 31	
	2024	2023
Subsidiaries	\$ 9,243	\$ 15,795

7) Lease arrangements

Item	Related Party Category	December 31	
		2024	2023
Lease liabilities	Investor company that account for the Company using equity method	\$ 50,838	\$ 82,651
Lease liabilities	Subsidiaries	<u>11,713</u>	<u>1,382</u>
		<u>\$ 62,551</u>	<u>\$ 84,033</u>

Item	Related Party Category	For the Year Ended December 31	
		2024	2023
Interest expense	Investor company that account for the Company using equity method	\$ 626	\$ 927
	Subsidiaries	109	35
	Other related parties	<u>-</u>	<u>8</u>
		<u>\$ 735</u>	<u>\$ 970</u>
Rental expense	Investor company that account for the Company using equity method	\$ 595	\$ 616
	Other related parties	<u>5,985</u>	<u>3,343</u>
		<u>\$ 6,580</u>	<u>\$ 3,959</u>

8) Acquisition of shares

For the ended December 31, 2024

Related Party Category	Financial Statement Account	Number of Shares Acquired	Acquisition Target	Acquisition Price
Inpaq Technology Co., Ltd.	Subsidiary	4,193,000	Ordinary shares	\$ 420,980
Walsin Electronics (S) Pte. Ltd. ("WES")	Subsidiary	28,650,000	Ordinary shares	670,410

For the ended December 31, 2023

Related Party Category	Financial Statement Account	Number of Shares Acquired	Acquisition Target	Acquisition Price
Walsin New Energy Corporation	Investments accounted for using the equity method	1,250,000	Ordinary shares	\$ 12,500
Inpaq Technology Co., Ltd.	Subsidiary	3,934,008	Issuance of ordinary shares in cash	229,062
Walsin Technology Europe B.V	Subsidiary	1,050,000	Issuance of ordinary shares in cash	102,945
Gallatown Developments Limited	Subsidiary	920,000	Issuance of ordinary shares in cash	298,255

9) Others

For the ended December 31, 2024

Related Party Category	Financial Statement Account	Number of Shares Acquired	Acquisition Target	Acquisition Price
HannStar Board Corp.	Investments accounted for using the equity method	8,590,483	Reduce of ordinary shares	\$ 85,905

c. Compensation of key management personnel

	<u>For the Year Ended December 31</u>	
	2024	2023
Short-term employee benefits	\$ 66,861	\$ 52,835
Post-employment benefits	<u>324</u>	<u>324</u>
	<u>\$ 67,185</u>	<u>\$ 53,159</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

26. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The assets pledged as tariff deposits were as follows:

	<u>December 31</u>	
	2024	2023
Pledged time deposits (accounted as financial assets at amortized cost)	<u>\$ 51,238</u>	<u>\$ 57,472</u>

27. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Company as of December 31, 2024 and 2023 were as follows:

a. Significant unrecognized commitments

Unrecognized commitments were as follows:

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Acquisition of property, plant and equipment	<u>\$ 332,707</u>	<u>\$ 681,201</u>

b. Contingencies

As of December 31, 2024 and 2023, outstanding letters of credit of the Company were summarized as follows:

Unit: Thousands of dollars

<u>December 31</u>					
<u>2024</u>			<u>2023</u>		
<u>Currency</u>	<u>Carrying Value</u>		<u>Currency</u>	<u>Carrying Value</u>	
JPY	JPY	215,040	JPY	JPY	1,030,284
EUR	EUR	118	EUR	EUR	118

28. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD: NONE

29. OTHER ITEMS:

On February 15, 2023, the president of the ROC announced the amendments to the “Climate Change Response Act”, which added the provision of carbon fee collection. Subsequently, the Ministry of Environment announced the “Regulations Governing the Collection of Carbon Fees”, “Regulations for Administration of Voluntary Reduction Plans” and “Designated Greenhouse Gas Reduction Goal for Entities Subject to Carbon Fees” on August 29, 2024 and the carbon fee rate on October 21, 2024. The fees will be levied starting from January 1, 2025.

Based on the emissions of the Company in 2023, the Company expects that it will be the entity subject to carbon fees. The Company will recognize the provision of the carbon fees based on its actual emissions in 2025 and will pay them in May 2026.

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the Company and the exchange rates between the foreign currencies and their respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2024

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 347,592	32.781	\$ 11,394,413
JPY	1,878,721	0.2099	394,344
RMB	412	4.4909	1,850
Non-monetary items			
Investments accounted for using the equity method			
USD	865,354	32.781	28,367,165
JPY	-	-	-
SGD	28,537	24.1196	688,310
EUR	84	34.1398	2,860
<u>Financial liabilities</u>			
Monetary items			
USD	56,791	32.781	1,861,666
JPY	626,191	0.2099	131,437
RMB	1	4.4909	4

December 31, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 339,384	30.735	\$ 10,430,967
JPY	2,595,691	0.2171	563,525
RMB	23,494	4.3327	101,792
Non-monetary items			
Investments accounted for using the equity method			
USD	846,451	30.735	26,015,671
JPY	219,555	0.2182	47,907
EUR	1,473	34.0252	50,103
<u>Financial liabilities</u>			
Monetary items			
USD	53,722	30.735	1,651,146
JPY	2,765,864	0.2171	600,469

31. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (Table 4)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (None)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
- 9) Trading in derivative instruments (Notes 7 and 24)
- 10) Information on investees (Table 7)

b. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 8)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 8):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year
 - c) The amount of property transactions and the amount of the resultant gains or losses
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes
 - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds

- f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services
- c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 9)

32. SEGMENT INFORMATION

The Company has disclosed its operating segments in the consolidated financial statements.

WALSIN TECHNOLOGY CORPORATION

**FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 3)	Aggregate Financing Limit (Note 4)
													Item	Value		
0	Walsin Technology Corporation	Kamaya Electric Co., Ltd.	Receivables from related parties	Yes	\$ 713,315	\$ 125,879	\$ 125,879	0.30	Short-term financing	\$ -	Operating turnover	\$ -	Promissory note	\$ 125,879	\$ 19,458,281	\$ 29,187,421
		Kamaya Electric (M) Sdn. Bhd.	Receivables from related parties	Yes	247,562	247,562	247,562	0.60-0.70	Short-term financing	-	Operating turnover	-	Promissory note	247,562	19,458,281	29,187,421

Note 1: According to Walsin Technology Corporation's financing procedure, total endorsement/guarantee and financing amount that can be made is 100% of lender's net worth presented in the latest financial statements audited or reviewed by auditors. The total financing amount that can be made is 60% of lender's net worth presented in the latest financial statements audited or reviewed by auditors. The financing limit amount of each borrower according to reasons for financing are as follows:

1. With business relationship: In the most recent year or the current year as of the time the funds are loaned, and the loan is not more than the higher of the borrowing Company's purchase or sales amount from loan company.
2. With the need of short-term financing: Both of total financing and individual financing amounts must not exceed 40% of each lender's net worth presented in the latest financial statements audited or reviewed by auditors.
3. When the Company directly or indirectly holding 100% of the voting shares of a foreign company, the amount of funds loaned to the Company cannot exceed the limit set forth in paragraph 2 above, but the loan period cannot exceed 3 years. The individual limits for loans of funds between foreign companies in which the Company directly and indirectly holds 100% of the voting shares are limited to the most recent net worth of the lending company's financial statements.

Note 2: Exchange rate as of December 31, 2024

USD:NTD = 1:32.7810
JPY:USD = 1:0.0064

Note 3: It is 40% of the shareholders' equity of the loan company.

Note 4: It is 60% of the shareholders' equity of the loan company.

WALSIN TECHNOLOGY CORPORATION

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 3)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 3)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 3)
		Name	Relationship										
0	Walsin Technology Corporation	Kamaya Electric Co., Ltd.	2	\$ 17,594,128 (Note 1)	\$ 2,616,186	\$ 1,514,744	\$ 1,514,744	\$ -	3.11	\$ 24,322,851 (Note 2)	Y	N	N
		Kamaya Electric (M) Sdn. Bhd.	2	16,764,702 (Note 1)	967,040	753,963	-	-	1.55	24,322,851 (Note 2)	Y	N	N

Note 1: The maximum limit for each guaranteed company is limited to 100% of its net worth presented in the latest financial statements. The maximum limit for company's actual holds more than two-thirds of the guaranteed company is limited to six times of its (guaranteed company) net worth presented in the latest financial statements. Therefore, this period did not exceed the limit.

Note 2: The maximum endorsements/guarantees amount allowed for the Company is not equal or exceed 50% of its net worth presented in the latest financial statements. Therefore, this period did not exceed the limit.

Note 3: Need enter "Y" if: Endorsement/guarantee given by parent on behalf of subsidiaries, given by subsidiaries on behalf of parent, given on behalf of companies in mainland China.

Note 4: Exchange rate as of December 31, 2024

USD:NTD = 1:32.7810
JPY:USD = 1:0.0064

Note 5: Endorsement guarantee objects:

1. Subsidiaries that directly hold more than 50% of ordinary shares.
2. Subsidiaries where parent company and subsidiaries hold more than 50% of the ordinary shares.
3. Companies with business relations.
4. The Company.

WALSIN TECHNOLOGY CORPORATION

MARKETABLE SECURITIES HELD

DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Walsin Technology Corporation	<u>Shares</u>							
	Taiwan Mobile Company Limited	None	Financial assets at fair value through profit or loss - current	100,000	\$ 11,350	-	\$ 11,350	
	Taiwan Semiconductor Manufacturing Company Limited	"	"	190,000	204,250	-	204,250	
	Chunghwa Telecom Company Limited	"	"	200,000	24,700	-	24,700	
	Walton Advanced Engineering Inc.	The chairman of the securities issuer is the same as the chairman of the company	Financial assets at fair value through other comprehensive income - non-current	31,870,087	444,589	6.16	444,589	
	Walsin Lihwa Corporation	Investment company evaluated the Company by the equity method	"	49,234,527	1,166,858	1.22	1,166,858	
	Giga-Byte Technology Co., Ltd.	None	"	8,590,000	2,340,775	1.28	2,340,775	
	TXC Corporation	"	"	34,942,000	3,161,528	10.19	3,161,528	
	Elcon International Co., Ltd.	"	"	1,879,028	-	9.40	-	
	Chin-Xin Investment Co., Ltd.	The chairman of the securities issuer is the second degree of kinship of the Company	"	9,032,056	258,881	1.86	258,881	
	<u>Bonds</u>							
	Credit Agricole SA	None	Financial assets at amortized cost - non-current	-	262,737	-	264,381	
	Mercedes-Benz Finance North America LLC	"	"	-	189,450	-	190,117	
	Westpac Banking Corporation	"	"	-	31,592	-	31,988	
	International Business Machines Corporation	"	"	-	30,265	-	30,627	
	ANZ New Zealand (Int'l) Limited of London	"	"	-	196,432	-	197,919	
	The Estee Lauder Companies Inc.	"	"	-	32,135	-	32,417	
	Siemens Financieringsmaatschappij N.V. (SFM)	"	"	-	31,273	-	31,614	
	The Norinchukin Bank	"	"	-	81,858	-	82,175	
	Bristol-Myers Squibb Company	"	"	-	276,112	-	280,023	
Unilever Capital Corporation	"	"	-	25,935	-	26,659		
Honeywell International Inc.	"	"	-	27,621	-	28,356		
Apple Inc.	"	"	-	54,791	-	56,455		
UBS AG of London	"	"	-	160,937	-	164,594		
NBN Co Limited	"	"	-	232,945	-	235,915		
Toyota Motor Credit Corporation	"	"	-	332,056	-	335,953		
BMW US Capital, LLC	"	"	-	227,870	-	228,985		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Sumitomo Mitsui Financial Group, Inc.	None	Financial assets at amortized cost - non-current	-	\$ 164,201	-	\$ 165,397	
	SOCIETE GENERALE	"	"	-	161,023	-	161,627	
	Pfizer Investment Enterprises Pte. Ltd.	"	"	-	112,790	-	113,781	
	AbbVie Inc.	"	"	-	45,251	-	45,764	
	Burlington Northern Santa Fe, LLC	"	"	-	52,278	-	52,953	
	Sumitomo Mitsui Trust Bank, Limited.	"	"	-	184,658	-	186,165	
	Roche Holdings, Inc.	"	"	-	40,070	-	40,627	
	Eaton Corporation	"	"	-	29,683	-	30,345	
	Philip Morris International Inc. (PMI)	"	"	-	433,062	-	436,496	
	Mitsubishi HC Finance America LLC	"	"	-	198,914	-	200,895	
	Shinhan Financial Group Co., Ltd.	"	"	-	81,315	-	81,453	
	American Express	"	"	-	244,253	-	242,962	
	Ohio Power Company	"	"	-	88,146	-	87,358	
	KINGDOM OF SAUDI ARABIA	"	"	-	274,841	-	272,838	
	Banco Santander S.A.	"	"	-	270,710	-	271,429	
	Bank of New Zealand (BNZ)	"	"	-	230,732	-	230,500	
	PETRONAS Capital Limited	"	"	-	61,433	-	60,783	
	Saudi Arabian Oil Co.	"	"	-	254,080	-	252,158	
	Hyundai Capital America	"	"	-	321,462	-	321,574	
	NextEra Energy Capital Holdings, Inc.	"	"	-	97,960	-	98,245	
	The Charles Schwab Corporation	"	"	-	80,836	-	80,917	
	Verizon Communications Inc.	"	"	-	124,730	-	124,538	
	QNB FINANCE LTD	"	"	-	163,422	-	162,764	
	Westpac New Zealand Limited	"	"	-	131,767	-	132,055	
	Volkswagen Group of America Finance, LLC	"	"	-	261,185	-	259,783	
	BPCE SA	"	"	-	146,025	-	146,941	
	3M Company	"	"	-	60,779	-	61,952	
	The Second Issue of 2024 for US-dollar-denominated unsecured cumulative subordinated corporate Bonds of Cathy Life Insurance Co., Ltd.	"	"	-	295,029	-	295,029	
	NatWest Markets PLC	"	"	-	131,041	-	132,842	
	Cooperatieve Rabobank U.A. of New York	"	"	-	32,351	-	32,207	
	DGB Capital 105-2	"	Financial assets at amortized cost - current	-	53,716	-	53,716	
	LOTTE CAPITAL 446	"	"	-	57,485	-	57,485	
	<u>Limited partnership</u> NEXUS CVC Partners Fund LP.	None	Financial assets at fair value through profit or loss - non-current	-	50,000	-	50,000	

(Concluded)

WALSIN TECHNOLOGY CORPORATION

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Walsin Technology Corporation	Soshin Electric Co., Ltd.	Investments accounted for using the equity method	Kamaya Electric Co., Ltd.	Subsidiaries	330,800	\$ 44,897	-	\$ -	330,800	\$ 31,946 (JPY 158,784)	\$ 41,389	\$ - (Note 4)	-	\$ - (Note 1)
	Walsin Electronics (S) Pte. Ltd. ("WES")	Investments accounted for using the equity method	GDL	Subsidiaries	-	-	28,650,000	670,410 (US\$ 20,679) (Note 2)	-	-	-	-	28,650,000	688,310 (Note 1)
	Inpaq Technology Co., Ltd.	Investments accounted for using the equity method	Shareholder from the open market	Unrelated party	51,782,658	2,574,933	4,193,000	420,980	-	-	-	-	55,975,658	3,003,591 (Note 1)
	TXC Corporation	Financial assets at FVOCI	Shareholder from the open market	Unrelated party	-	-	14,142,000	1,557,145	-	-	-	-	14,142,000	1,421,270 (Note 1)
	TXC Corporation	Financial assets at FVOCI	-	-	-	-	20,800,000 (Note 3)	1,944,800	-	-	-	-	20,800,000	1,740,258 (Note 1)

Note 1: As a result of recognizing profits or losses, other comprehensive income (loss), and the evaluation of financial assets during the period, the beginning balance plus the purchase cost or carrying amount of sold items is different from the ending balance.

Note 2: This is due to the purchase from GDL, along with an additional capital increase of 27,043,000 shares, totaling US\$20,000,000.

Note 3: Obtained by participating in private placement.

Note 4: The transaction was a reorganization under common control, and, therefore, no profits or losses are recognized. Please refer Note g of Note 11 for details.

WALSIN TECHNOLOGY CORPORATION

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NTS100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Walsin Technology Corporation	Walsin Technology Europe B.V.	100% owned subsidiary by parent company	Sale	\$ (304,860)	(2)	According to the commercial terms agreed by both parties	\$ -	-	\$ 192,666	5	
	Prosperity Dielectrics Co., Ltd.	43.13% owned subsidiary by parent company	Sale	(299,110)	(2)	"	-	-	83,359	2	
	Dongguan Walsin Technology Electronics Co., Ltd.	100% indirectly owned subsidiary by parent company	Purchase	839,030	6	"	-	-	(248,743)	(9)	
			Sale	(6,676,539)	(40)	"	-	-	1,256,543	34	
	Walsin Technology Corporation (HK) Ltd.	100% indirectly owned subsidiary by parent company	Purchase	359,091	2	"	-	-	(86,637)	(3)	
			Sale	(308,648)	(2)	"	-	-	76,286	2	
	Suzhou Walsin Technology Electronics Co., Ltd.	100% indirectly owned subsidiary by parent company	Purchase	2,234,724	15	"	-	-	(643,155)	(24)	
			Sale	(1,988,648)	(12)	"	-	-	559,198	15	
	Walsin Passive Component (H.K.) Limited	100% indirectly owned subsidiary by parent company	Sale	(361,036)	(2)	"	-	-	69,321	2	
	KAMAYA Inc.	100% indirectly owned subsidiary by parent company	Sale	(232,766)	(1)	"	-	-	84,797	2	
Kamaya Electric (M) Sdn. Bhd.	100% indirectly owned subsidiary by parent company	Sale	(387,158)	(2)	"	-	-	127,534	3		
		Purchase	216,468	1	"	-	-	(87,517)	(3)		
Kamaya Electric Co., Ltd.	100% indirectly owned subsidiary by parent company	Purchase	474,931	3	"	-	-	(197,709)	(7)		

WALSIN TECHNOLOGY CORPORATION

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NTS100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Walsin Technology Corporation	Walsin Technology Europe B.V.	100% owned subsidiary by parent company	Accounts receivable \$ 192,666	2.26	\$ -	-	\$ -	\$ -
	Dongguan Walsin Technology Electronics Co., Ltd.	100% indirectly owned subsidiary by parent company	Accounts receivable 1,256,543	5.96	-	-	272,516	-
	Suzhou Walsin Technology Electronics Co., Ltd.	100% indirectly owned subsidiary by parent company	Accounts receivable 559,198	4.04	-	-	150,438	-
	Kamaya Electric (M) Sdn. Bhd	100% indirectly owned subsidiary by parent company	Accounts receivable 127,534	4.84	-	-	38,386	-

Note: Financing provided to others, please refer to Table 1.

WALSIN TECHNOLOGY CORPORATION

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2024	December 31, 2023	Number of Shares	%	Carrying Amount			
Walsin Technology Corporation	Prosperity Dielectrics Co., Ltd.	Taiwan	Manufacturing, processing and selling of chip capacitors, chip resistors, semiconductive capacitor elements, ceramic dielectric powders and magnetic elements, etc.	\$ 655,664	\$ 655,664	74,186,468	43.13	\$ 2,893,504	\$ 498,119	\$ 214,296	
	HannStar Board Corporation	Taiwan	Manufacturing and sales of printed circuit boards	1,932,983	2,018,888	98,790,543	20.32	6,594,655	3,012,223	613,074	
	Pan Overseas (B.V.I.) Investments Co., Ltd.	British Virgin Islands	Investment holding	671,758	671,758	21,836,000	100.00	2,476,446	74,382	74,909	
	Gallatown Developments Ltd.	Cayman Islands	Investment holding	6,077,273	6,077,273	95,129,047	89.15	26,266,055	694,539	624,209	
	Tsai Yi Corporation	Taiwan	Investment holdings and management of group companies	411,330	411,330	39,052,142	26.62	744,265	23,380	5,997	
	Falcon Automation Equipment Corporation	Taiwan	Mechanical equipment manufacturing	9,000	9,000	3,348,000	43.90	80,503	(39,451)	(17,320)	
	Inpaq Technology Co., Ltd.	Taiwan	Research, development, manufacturing and selling of hybrid microwave antenna module, integrated electrical protection component and multilayer type microwave communication component and module	2,671,318	2,250,338	55,975,658	37.57	3,033,591	990,065	339,488	
	Silitech Technology Corporation	Taiwan	Keypads and module products, mechanical integrated components	561,329	561,329	17,000,000	25.00	754,275	55,078	11,135	
	Soshin Electric Co., Ltd.	Japan	Research, development, manufacturing and selling of capacitors, thick film printed boards, laminated dielectric filters and EMI filters	-	39,248	-	-	-	(110,379)	(694)	
	Walsin New Energy Corporation	Taiwan	Solar power generation project, etc.	12,500	12,500	1,250,000	25.00	11,275	(3,848)	(962)	
Walsin Technology Europe B.V.	Netherlands	Selling of passive electronic components	117,081	117,081	1,500,000	100.00	2,860	(48,246)	(48,246)		
Walsin Electronics (S) Pte. Ltd. ("WES")	Singapore	Marketing service	670,410	-	28,650,000	100.00	688,310	10,749	13,856		

Note: Information on investments in mainland China, please refer to Table 8.

WALSIN TECHNOLOGY CORPORATION

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1.

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2024	Accumulated Repatriation of Investment Income as of December 31, 2024
					Outward	Inward						
Dongguan Walsin Technology Electronics Co., Ltd.	Manufacturing and selling of passive electronic components	\$ 4,209,080 (US\$ 128,400,000)	Note 1	\$ 2,983,071 (US\$ 91,000,000)	\$ -	\$ -	\$ 2,983,071 (US\$ 91,000,000)	\$ 404,610	100.00	\$ 404,610	\$ 7,199,924	\$ 985,381 (US\$ 30,059,527)
Suzhou Walsin Technology Electronics Co., Ltd.	Manufacturing and selling of passive electronic components	2,261,889 (US\$ 69,000,000)	Note 1	2,261,889 (US\$ 69,000,000)	-	-	2,261,889 (US\$ 69,000,000)	2,038	100.00	2,038	2,725,006	53,048 (US\$ 1,618,250)
Dongguan Huafai Trading Co., Ltd.	Trading of electronic parts, warehousing and commission agency	65,562 (US\$ 2,000,000)	Note 1	65,562 (US\$ 2,000,000)	-	-	65,562 (US\$ 2,000,000)	13,984	100.00	13,984	378,033	-
Pan Overseas (Guangzhou) Electronic Co., Ltd.	Manufacturing and selling of passive electronic components	540,887 (US\$ 16,500,000)	Note 1	419,923 (US\$ 12,809,965)	-	-	419,923 (US\$ 12,809,965)	31,711	100.00	31,711	748,794	252,977 (US\$ 7,717,169)
GHPW Enterprise Corporation (Chongqing) Limited	Business consultations, business management, consultation services and property management	786,744 (US\$ 24,000,000)	Note 1	196,686 (US\$ 6,000,000)	-	-	196,686 (US\$ 6,000,000)	(7,917)	25.00	(1,979)	156,969	-
Suzhou Walsin Color Trading Co., Ltd.	Trading of electronic parts and commission agency	531,052 (US\$ 16,200,000)	Note 1	252,414 (US\$ 7,700,016)	-	-	252,414 (US\$ 7,700,016)	(1,819)	39.32	(715)	160,235	12,345 (US\$ 376,582)
Chongqing Shuohong Investment Co., Ltd.	Investment, investment management, investment consultation services	2,380,177 (RMB 530,000,000) (Note 4)	Note 1	-	-	-	-	(246,642)	25.65	(63,265)	644,143	-
Chongqing Ruishuang Technology Co., Ltd.	Selling of electronic components, real estate investment and leasing	117,787 (RMB 26,228,000) (Note 5)	Note 1	-	-	-	-	(2,380)	34.54	(822)	50,450	-
Soshin Electronics (SZ) Limited	Selling of electronic components	11,801 (US\$ 360,000)	Note 1	-	-	-	-	2,743	100.00	2,743	44,321	-

Note 1: Investment in mainland China companies through an existing company established in a third region.

Note 2: Based on the financial statements of the investee company recognized by the attesting CPA of the Taiwan parent company.

Note 3: For the figures in the table above that involve foreign currencies, the average exchange rate on December 31, 2024 was used to convert the foreign currencies into New Taiwan dollars, except for the investment gain (loss) of the current period (converted at the exchange rate for the period January 1 to December 31, 2024).

Note 4: It was invested RMB135,950,000 with the own funds of Suzhou Walsin Technology Electronics Co., Ltd.

Note 5: It was invested RMB8,605,548.46 with the own funds of Suzhou Walsin Technology Electronics Co., Ltd.

2. Investment quota for mainland China:

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2024	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$4,907,528 (US\$149,706,474)	\$5,045,008 (US\$153,900,371)	34,966,292

(Continued)

3. Significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

Investee Company	Relationship	Transaction Type	Amount	Transaction Details			Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss
				Price	Payment Terms	Comparison with Normal Transactions	Ending Balance	%	
Dongguan Walsin Technology Electronics Co., Ltd.	Sub-subsiary	Sales	\$ 6,676,539	According to the goodwill clause agreed upon by both parties	90-120 days T/T	No significant difference	\$ 1,256,543	34	\$ 290,974
		Purchases	2,235,208	"	"	"	(707,393)	(27)	-
Suzhou Walsin Technology Electronics Co., Ltd.	Sub-subsiary	Sales	1,988,648	According to the goodwill clause agreed upon by both parties	90-120 days T/T	No significant difference	559,198	15	18,948

Note: The average exchange rate on December 31, 2024 was USD to NTD = 1:32.7810

The average exchange rate from January 1 to December 31, 2024 was USD to NTD = 1:32.1120

4. Circumstances in which mainland investment companies provide endorsements, guarantees or collaterals directly or indirectly through third-region enterprises: None.
5. Circumstances of financing provided with mainland investment companies directly or indirectly through a third region: None.
6. Other transactions that have a significant impact on the current profit and loss or financial status: None.

(Concluded)

TABLE 9**WALSIN TECHNOLOGY CORPORATION AND SUBSIDIARIES****INFORMATION ON MAJOR SHAREHOLDERS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Name of Shareholder	Shares	
	Total Shares Owned	Ownership Percentage (%)
Walsin Lihwa Corporation	88,902,325	18.30
HannStar Board Corporation	41,051,115	8.45

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

WALSIN TECHNOLOGY CORPORATION

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WALSIN TECHNOLOGY CORPORATION**STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

Item	Description	Amount
Cash on hand		\$ 832
Demand deposits		4,804
Checking accounts		8,153
Time deposits	Period is from December 20, 2024 to February 20, 2025	458,934
	Interest rate of 4.84%	
Foreign currency deposits (Note)	US\$14,343,662.36	470,199
	HK\$384.25	2
	JPY 100,169,309.00	21,025
	EUR 913,091.72	31,173
	RMB 404,820.74	<u>1,818</u>
		<u>\$ 996,940</u>

Note: Exchange rate on December 31, 2024

US\$:NT\$ = 1:32.7810

HK\$:NT\$ = 1:4.2221

JPY:NT\$ = 1:0.2099

EUR:NT\$ = 1:34.1398

RMB:NT\$ = 1:4.4909

WALSIN TECHNOLOGY CORPORATION

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars)

Name of Securities	Description	Shares/Bonds	Par Value (Dollar)	Amount	Rate (%)	Fair Value		Amount (In Thousands)
						Cost (In Thousands)	Unit Price (Dollar)	
Taiwan Mobile Co., Ltd.	Listed shares	100,000	\$ 10	\$ 1,000	-	\$ 10,767	\$ 113.5	\$ 11,350
Taiwan Semiconductor Manufacturing Company Limited	Listed shares	190,000	10	1,900	-	187,940	1,075	204,250
Chunghwa Telecom Co., Ltd.	Listed shares	200,000	10	<u>2,000</u>	-	<u>22,130</u>	123.5	<u>24,700</u>
				<u>\$ 4,900</u>		<u>\$ 220,837</u>		<u>\$ 240,300</u>

WALSIN TECHNOLOGY CORPORATION

STATEMENT OF STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT

DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars)

Name of Securities	As of January 1, 2024		Increase (Note 1)		Decrease (Note 2)		As of December 31, 2024		Collateral
	Shares	Fair Value	Shares	Fair Value	Shares	Fair Value	Shares	Fair Value	
Walton Advanced Engineering Inc.	31,870,087	\$ 486,020	-	\$ (41,431)	-	\$ -	31,870,087	\$ 444,589	None
Gigabyte Technology Co., Ltd.	8,590,000	2,284,940	-	55,835	-	-	8,590,000	2,340,775	"
Walsin Lihwa Corporation	49,234,527	1,902,914	-	(736,056)	-	-	49,234,527	1,166,858	"
Elcon International Co., Ltd.	1,879,028	-	-	-	-	-	1,879,028	-	"
Euroc Venture Capital Corp.	7,499	-	-	-	(7,499)	-	-	-	"
Chin-Xin Investment Co., Ltd.	9,032,056	436,830	-	(177,949)	-	-	9,032,056	258,881	"
TXC Corporation	-	-	34,942,000	3,161,528	-	-	34,942,000	3,161,528	"
		<u>\$ 5,110,704</u>		<u>\$ 2,261,927</u>		<u>\$ -</u>		<u>\$ 7,372,631</u>	

Note 1: An increase in investments, unrealized and realized gain or loss and cumulative translation adjustments on investments in equity instruments at FVTOCI.

Note 2: Euroc Venture Capital Corp. completed its liquidation in January 2024.

WALSIN TECHNOLOGY CORPORATION

STATEMENT OF TRADE RECEIVABLES

DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Company A		\$ 100,110
Company B		61,182
Others (Note)		1,034,758
Less: Allowance for impairment loss		<u>(9,577)</u>
		<u>\$ 1,186,473</u>

Note: The amount received from each individual client included in “others” does not exceed 5% of the account balance.

WALSIN TECHNOLOGY CORPORATION**STATEMENT OF INVENTORIES****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

Description	Amount	
	Cost	Net Realized Value
Raw materials	\$ 351,349	\$ 297,609
Supplies	31,504	26,686
Work in process	504,373	427,227
Semi-finished goods	715,560	608,475
Finished goods	492,146	416,870
Less: Allowance for inventory valuation and obsolescence losses	<u>(318,065)</u>	<u>-</u>
	<u>\$ 1,776,867</u>	<u>\$ 1,776,867</u>

Note: Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

WALSIN TECHNOLOGY CORPORATION

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

Name	Balance, January 1, 2024		Increase (Note 1)		Decrease		Gain (Loss)	Balance, December 31, 2024			Market Value (Note 2)		Collateral
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount (Note 3)		Number of Shares	%	Amount	Unit Price (NT\$)	Total Amount	
Listed shares													
Prosperity Dielectrics Co., Ltd	74,186,468	\$ 2,894,824	-	\$ (126,176)	-	\$ (89,440)	\$ 214,296	74,186,468	43.13	\$ 2,893,504	42.65	\$ 3,164,053	None
Hannstar Board Corporation	107,381,026	6,236,694	-	3,583	(8,590,483)	(258,696)	613,074	98,790,543	20.32	6,594,655	53.20	5,255,657	"
Inpaq Technology Co., Ltd.	51,782,658	2,574,933	4,193,000	231,121	-	(111,951)	339,488	55,975,658	37.57	3,033,591	81.80	4,578,809	"
Silitech Technology Corporation	17,000,000	729,828	-	33,712	-	(20,400)	11,135	17,000,000	25.00	754,275	34.25	582,250	"
Soshin Electric Co., Ltd. (Note 4)	330,800	44,897	-	(2,675)	(330,800)	(41,528)	(694)	-	-	-	-	-	"
Unlisted shares													
Pan Overseas (B.V.I.) Investments Co., Ltd.	21,836,000	2,263,388	-	138,149	-	-	74,909	21,836,000	100.00	2,476,446		2,520,832	"
Gallatown Developments Ltd.	95,129,047	24,101,659	-	1,540,187	-	-	624,209	95,129,047	89.15	26,266,055		25,846,333	"
Tsai Yi Corporation	39,052,142	804,561	-	(66,293)	-	-	5,997	39,052,142	26.62	744,265		744,265	"
Falcon Automation Equipment Corporation	3,348,000	97,823	-	-	-	-	(17,320)	3,348,000	43.90	80,503		80,503	"
Walsin New Energy Corporation	1,250,000	12,237	-	-	-	-	(962)	1,250,000	25.00	11,275		11,275	"
Walsin Technology Europe B.V.	1,500,000	50,103	-	1,003	-	-	(48,246)	1,500,000	100.00	2,860		2,860	"
Walsin Electronics (S) Pte. Ltd. ("WES")	-	-	28,650,000	674,454	-	-	13,856	28,650,000	100.00	688,310		688,310	"
		<u>\$ 39,810,947</u>		<u>\$ 2,427,065</u>		<u>\$ (522,015)</u>	<u>\$ 1,829,742</u>			<u>\$ 43,545,739</u>		<u>\$ 43,475,147</u>	

Note 1: An increase in investments and share of profit of associates accounted for using the equity method.

Note 2: Market value is the closing price on December 31, 2024 and recognizes the changes in the Company's equity.

Note 3: The decrease in the year include the capital decrease to return the share payment for \$85,905 thousand, the cash dividend for \$394,721 and cost of disposal of investments for \$41,389.

Note 4: Delisted from the Japan Exchange.

WALSIN TECHNOLOGY CORPORATION

STATEMENT OF SHORT-TERM BORROWINGS

DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

Type	Creditor	Description	Balance, End of Year	Loan term	Interest Rate (%)	Collateral
Unsecured loan	Bank of Taiwan		\$ 1,000,000	2024/07/31-2025/07/30	1.77	None
"	OCBC Bank		900,000	2024/11/27-2025/01/08	1.82	"
"	OCBC Bank		600,000	2024/11/13-2025/01/08	1.83	"
"	Taishin Bank		550,000	2024/12/26-2025/01/22	1.99	"
"	Citibank		215,000	2024/08/08-2025/02/04	1.74	"
"	Citibank		590,000	2024/08/09-2025/02/04	1.74	"
"	Citibank		40,000	2024/09/20-2025/03/19	1.78	"
"	Citibank		360,000	2024/09/20-2025/03/19	1.78	"
"	Bank of China Limited		600,000	2024/10/01-2025/01/02	1.79	"
"	China CITIC Bank		1,500,000	2024/12/31-2025/01/07	1.98	"
"	United Overseas Bank		500,000	2024/12/31-2025/01/07	1.95	"
"	Far Eastern Bank		200,000	2024/12/26-2025/01/02	1.99	"
"	Far Eastern Bank		720,000	2024/12/30-2025/01/06	1.99	"
"	MUFG Bank		<u>565,000</u>	2024/12/31-2025/01/21	1.99	"
			<u>\$ 8,340,000</u>			

WALSIN TECHNOLOGY CORPORATION

STATEMENT OF TRADE PAYABLES

DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Vendor A	Payment for goods	\$ 315,697
Vendor B	"	90,726
Vendor C	"	69,573
Others (Note)	"	<u>833,762</u>
		<u>\$ 1,309,758</u>

Note: The amount payable to each individual vendor included in "others" does not exceed 5% of the account balance.

WALSIN TECHNOLOGY CORPORATION

STATEMENT OF OTHER PAYABLES

DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Other payables	Personnel and bonus	\$ 320,418
	Other expenses	1,160,856
	Employees' compensation	76,449
	Remuneration of directors	33,977
	Others	<u>19,573</u>
		<u>\$ 1,611,273</u>

WALSIN TECHNOLOGY CORPORATION**STATEMENT OF NET SALES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)**

Name	Amount
Sales revenue	
Multi-layer ceramic capacitors	\$ 11,830,620
Chip resistors	2,472,838
Others	<u>2,331,804</u>
	16,635,262
Less: Sales returns	(23,782)
Sales discounts	<u>(118,272)</u>
	<u>\$ 16,493,208</u>

WALSIN TECHNOLOGY CORPORATION**STATEMENT OF COST OF SALES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)**

Item	Amount
Raw material used	
Balance, beginning of year	\$ 414,216
Raw material purchased	2,703,801
Raw material, end of year	(382,853)
Raw material scrapped	(1,103)
Transferred to operating expenses	(770,442)
Sales of raw material and others	<u>(31,748)</u>
	1,931,871
Direct labor	1,216,046
Manufacturing expenses	4,433,683
Outsourced expenses	126,516
Transferred to operating expenses	<u>(24,569)</u>
Manufacturing cost	7,683,547
Work in process and semi-finished goods, beginning of year	1,075,958
Semi-finished goods purchased	1,775,235
Work in process and semi-finished goods, end of year	(1,219,933)
Work in process shortage	(138)
Work in process scrapped	(11,579)
Others	<u>(17,363)</u>
Cost of finished goods	9,285,727
Finished goods, beginning of year	380,100
Finished goods purchased	4,229,960
Finished goods, end of year	(492,146)
Finished goods profit	13
Finished goods scrapped	(22,485)
Transferred to prototype expenses	(4,035)
Losses on inventory valuation loss and obsolescence	38,812
Unallocated manufacturing expense	1,680,988
Others	<u>(105,307)</u>
	<u>\$ 14,991,627</u>

WALSIN TECHNOLOGY CORPORATION

**STATEMENT OF SELLING AND MARKETING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Salaries		\$ 134,033
Shipping fees		51,292
Others	The amount of each individual account included in “others” does not exceed 5% of the account balance.	<u>109,165</u>
		<u>\$ 294,490</u>

WALSIN TECHNOLOGY CORPORATION

**STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Salaries		\$ 194,796
Professional service fees		84,713
Various amortization		34,576
Depreciation expenses		26,726
Others	The amount of each individual account included in "others" does not exceed 5% of the account balance.	<u>8,408</u>
		<u>\$ 349,219</u>

WALSIN TECHNOLOGY CORPORATION

**STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Salaries		\$ 101,695
Materials for research and development		46,562
Depreciation expenses		40,791
Utilities expense		24,648
Others	The amount of each individual account included in “others” does not exceed 5% of the account balance.	<u>60,372</u>
		<u>\$ 274,068</u>

WALSIN TECHNOLOGY CORPORATION**STATEMENT OF NON-OPERATING INCOME AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

Item	Description	Amount
Interest income		\$ 427,310
Rental income		17,719
Dividend income		124,019
Share of profit of subsidiaries and associates accounted for using the equity method		1,829,742
Other income		30,252
Gain on disposal of property, plant and equipment		1,075
Gain on financial assets at FVTPL		104,508
Foreign exchange gain, net		569,102
Interest expense		(365,135)
Other expenses		<u>(4,993)</u>
		<u>\$ 2,733,599</u>