

Wonderful Hi-Tech Co., Ltd. and Subsidiaries
Consolidated Financial Statements
and Independent Auditor's Report
For the Years Ended December 31, 2024 and 2023
(Stock Code: 6190)

Company Address: No. 17, Beiyuan Rd., Zhongli Dist., Taoyuan City
Tel: (03)452-7777

Wonderful Hi-Tech Co., Ltd. and Subsidiaries
Consolidated Financial Statements and Independent Auditor's Report
for the Years Ended December 31, 2024 and 2023
Table of Contents

<u>Item</u>	<u>Page</u>
I. Cover Page	1
II. Table of Contents	2 ~ 3
III. Declaration	4
IV. Independent Auditor's Audit Report	5 ~ 10
V. Consolidated Balance Sheet	11 ~ 12
VI. Consolidated Statement of Comprehensive Income	13 ~ 14
VII. Consolidated Statement of Changes in Equity	15
VIII. Consolidated Statement of Cash Flow	16 ~ 17
IX. Notes to Consolidated Financial Statements	18 ~ 82
(I) Company History	18
(II) Approval Date and Procedure of Financial Statements	18
(III) Application of New and Amended Standards and Interpretations	18 ~ 19
(IV) Summary of Significant Accounting Policies	19 ~ 36
(V) Significant Accounting Assumptions and Judgment, and Major Sources of Estimation Uncertainty	36
(VI) Description of Significant Accounts	36 ~ 66

<u>Item</u>	<u>Page</u>
(VII) Related Party Transactions	66 ~ 69
(VIII) Pledged Assets	69
(IX) Significant Contingent Liabilities and Unrecognized Commitments	69~ 70
(X) Significant Disaster Losses	70
(XI) Significant Subsequent Events	70
(XII) Others	70 ~ 82
(XIII) Separately Disclosed Items	82~ 83
(XIV) Operating Segment Information	83 ~ 84
(XV) Information on Product and Labor Type	84
(XVI) Information by regions	84
(XVII) Information on major customers	84

Wonderful Hi-Tech Co., Ltd.

Affiliated Enterprise Consolidated Financial Statement Declaration

We hereby declare that we have confirmed the companies which shall be included in the consolidated financial statements of the affiliates and the ones which shall be included in the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) No. 10 are identical; the related information has been disclosed in consolidated financial statements and will hence not be included in consolidated financial statements of the affiliates for the year ended in 2024 (from January 1 to December 31, 2024), in accordance with "Criteria Governing Preparation of Affiliation Reports" and "Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises."

Declared by

Company name: Wonderful Hi-Tech Co., Ltd.

Responsible Person: Ming-Lieh Chang

March 12, 2025

Independent Auditors' Report Translated From Chinese

To the Board of Directors and Shareholders of Wonderful Hi-Tech Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Wonderful Hi-Tech Co., Ltd. and its subsidiaries (the "Group"), which comprise the consolidated balance sheets for the years ended December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for January 1 to December 31, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2024 consolidated financial statements. These matters

were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2024 consolidated financial statements are stated as follows:

Accuracy of Revenue Recognition

Description

For description of the accounting policy and accounting item for income recognition, please refer to Notes 4(33) and 6(19) of the consolidated financial statements.

The Group's operations face intense competition, and the overall market is impacted by environmental factors, increasing the risk associated with revenue recognition. Therefore, the auditor considers the recognition of sales revenue for the current year as one of the most significant matters under audit for the current year.

Corresponding Audit Procedures

We performed the following audit procedures in respect of the above key audit matter:

1. Understand and evaluate the internal controls over revenue recognition and test the effectiveness of internal controls related to sales revenue.
2. Obtain detailed records of annual sales revenue and sample sales revenue transactions and related documents to confirm the appropriateness of revenue recognition.
3. Review post-period significant abnormal sales returns and allowances.
4. Send confirmation letters for accounts receivable to significant transaction counterparts with substantial transaction amounts.

Inventory Valuation

Description

For the description of the accounting policy, accounting estimation and assumption of inventory and allowance for inventory write-down, please refer to Notes 4(14), 5(2) and 6(5).

The main business of the Group refers to the manufacturing, purchase and sales, and

import/export of various types of wires and cables. The inventory is measured based on the cost and net realizable value whichever is lower. In addition, the usable condition of individual old and obsolete inventory is further identified, in order to recognize the inventory write-down. Since there are a lot of competitors from the Mainland China, and the raw material price fluctuation is great, the product price is likely to be affected or the product sales may not be as expected. Furthermore, the allowance of inventory write-down of individual identification of old and obsolete inventories involves the subjective judgment of the management. Accordingly, we consider that the accounting estimation has material impact on the inventory valuation, and it is listed as one of the key audit matters.

Corresponding Audit Procedures

We performed the following audit procedures in respect of the above key audit matter:

1. Understand the company operation and the nature of industry. Assess the policy adopted for the allowance for inventory write-down.
2. Obtain the obsolete inventory statement individually identified by the management. Review relevant documents and verify account records.
3. Randomly examine whether the basis of net realizable value is consistent with the policy established by the Company, and review whether the calculation of the net realizable value of individual inventory material number is correct.

Other Matters - Relevant audits by other independent auditors

For some of the subsidiaries and investees under equity method listed in the Group's consolidated financial statements, their financial statements were not audited by our representatives, but was audited by other independent auditors. Accordingly, regarding our opinion on the aforementioned consolidated financial statements, relevant amounts listed in the financial statements of these companies were based on the audit report by other independent auditors. As of December 31, 2024 and 2023, the total asset balances (including investments under the equity method) for the aforementioned companies were NT\$1,103,203 thousand and NT\$811,473 thousand respectively, accounting for 16% and 14% of the total consolidated assets respectively. The net operating income for January 1 to December 31, 2024 and 2023 were NT\$1,200,139 thousand and NT\$658,944 thousand respectively, accounting for 15% and 10% of the consolidated net operating income

respectively.

Other Matters – Parent Company Only Financial Statements

We have audited and expressed an unqualified opinion with other matter section on the parent company only financial statements of Wonderful Hi-Tech Co., Ltd. as at and for the years ended December 31, 2024 and 2023.

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

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

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

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

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

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

decisions of users taken on the basis of these consolidated financial statements.

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

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

of the group audit. We remain solely responsible for our audit opinion.

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

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

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

For and on behalf of PricewaterhouseCoopers, Taiwan

Shu-Chiung Chang
Certified Public Accountant
Po-Chuan Lin

Former Securities and Futures Commission, Ministry of Finance
Approval Certificate Document No.: Jin-Guan-Zheng-Shen-Zi No.
0990042602
Financial Supervisory Commission
Approval Certificate Document No.: Jin-Guan-Zheng-Shen-Zi No.
1100350706

March 12, 2025

Wonderful Hi-Tech Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
December 31, 2024 and 2023

Unit: NT\$ thousand

Assets		Note	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 838,373	12	\$ 718,389	13
1110	Financial assets measured at fair value through profit or loss - current	6(2)	2,120	-	3,259	-
1136	Financial assets at amortised cost - current		163,838	2	-	-
1150	Notes receivable, net	6(4)	70,882	1	79,321	2
1170	Accounts receivable, net	6(4)	1,768,958	26	1,195,226	21
1180	Accounts receivable from related parties, net	7	25,596	-	14,069	-
1200	Other receivables		132,621	2	76,735	1
1210	Other receivables - related Party	7	60	-	116	-
130X	Inventory	6(5)	1,591,727	23	1,362,906	24
1410	Prepayments		33,399	1	33,714	1
1476	Other financial assets - current	8	-	-	56,379	1
1479	Other current assets - others		10,557	-	27,111	1
11XX	Total current assets		4,638,131	67	3,567,225	64
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	994	-	1,001	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	64,769	1	65,878	1
1550	Investment accounted for under the equity method	6(7) 7 and 8	310,206	5	277,193	5
1600	Property, plant and equipment	6(7) and 8	1,226,821	20	1,160,512	20
1755	Right-of-use assets	6(8)	141,672	3	153,503	3
1760	Investment property, net	6(9) and 8	252,675	3	158,319	3
1780	Intangible assets	6(10)	156,220	3	159,293	3
1840	Deferred income tax assets	6(25)	38,313	1	42,638	1
1990	Other non-current assets - others		43,522	1	30,861	-
15XX	Total non-current assets		2,235,192	33	2,049,198	36
1XXX	Total assets		\$ 6,873,323	100	\$ 5,616,423	100

(Continued)

Wonderful Hi-Tech Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
December 31, 2024 and 2023

Unit: NT\$ thousand

Liabilities and Equity			December 31, 2024		December 31, 2023					
			Note	Amount	%	Amount	%			
Current liabilities										
2100	Short-term borrowings	6(12)	\$	1,032,645	15	\$	713,378	13		
2120	Financial liabilities at fair value through profit or loss - current	6(2)		6,042	-		-	-		
2170	Accounts payable			556,914	8		365,463	7		
2180	Accounts payable - related party	7		11,725	-		24,463	-		
2200	Other payables			275,576	4		230,344	4		
2220	Other accounts payable - related party	7		5,540	-		12,033	-		
2230	Current income tax liabilities			99,229	1		71,284	1		
2280	Lease liabilities - current	7		40,569	1		37,538	1		
2320	Current portion of long-term borrowings	6(11) (13)		792,043	11		45,192	1		
2399	Other current liabilities - others			37,017	1		15,837	-		
21XX	Total current liabilities			2,857,300	41		1,515,532	27		
Non-current liabilities										
2530	Bonds payable	6(11)		-	-		771,581	14		
2540	Long-term borrowings	6(13)		84,043	1		75,991	1		
2570	Deferred income tax liabilities	6(25)		250,352	4		203,330	4		
2580	Lease liabilities - non-current	7		36,786	1		70,504	1		
2640	Net defined benefit liabilities — non-current	6(14)		50,795	1		45,343	1		
2670	Other non-current liabilities - others			33,003	-		4,325	-		
25XX	Total non-current liabilities			454,979	7		1,171,074	21		
2XXX	Total liabilities			3,312,279	48		2,686,606	48		
Equity										
Equity attributable to owners of parent company										
	Share capital	6(16)								
3110	Common share capital			1,636,597	24		1,617,912	29		
	Capital surplus	6(17)								
3200	Capital surplus			503,459	8		388,880	6		
	Retained earnings	6(18)								
3310	Statutory reserves			165,014	2		140,530	3		
3320	Special reserves			142,811	2		119,302	2		
3350	Undistributed earnings			558,478	8		429,567	8		
	Other equity									
3400	Other equity			118,995	2	(45,119)	(1)	
3500	Treasury shares	6(16)	(61,008)	(1)	(128,532)	(2)
31XX	Total equity attributable to the owners of the parent company			3,064,346	45		2,522,540	45		
36XX	Non-controlling interests	4(3)		496,698	7		407,277	7		
3XXX	Total equity			3,561,044	52		2,929,817	52		
	Significant Contingent Liabilities and Unrecognized Commitments	9								
	Material subsequent events	11								
3X2X	Total liabilities and equities		\$	6,873,323	100	\$	5,616,423	100		

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Chairman: Ming-Lieh Chang

Managerial Officer: Cheng-Ya Chang

Accounting Officer: Yu-Hsiu Hsu

Wonderful Hi-Tech Co., Ltd. and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand
(Except for earnings per share in NT\$)

Item	Note	2024		2023	
		Amount	%	Amount	%
4000 Operating revenue	6(19) and 7	\$ 8,138,914	100	\$ 6,518,035	100
5000 Operating costs	6(5) (24) and 7	(6,757,577)	(83)	(5,557,725)	(85)
5900 Gross profit		1,381,337	17	960,310	15
Operating expenses	6(24)				
6100 Selling expenses		(383,985)	(5)	(307,003)	(5)
6200 Administrative expenses		(426,146)	(5)	(268,006)	(4)
6300 Research and development expenses		(57,968)	(1)	(45,343)	(1)
6450 Expected credit impairment losses		(6,302)	-	11,281	-
6000 Total operating expenses		(874,401)	(11)	(609,071)	(10)
6900 Operating profit		506,936	6	351,239	5
Non-operating income and expenses					
7100 Interest income	6(20)	16,328	-	18,378	-
7010 Other income	6(21) and 7	37,831	1	30,418	1
7020 Other gains and losses	6(22) and 7	81,313	1	59,102	1
7050 Finance costs	6(23) and 7	(55,718)	(1)	(62,485)	(1)
7060 Share of profits and losses of affiliated enterprises and joint ventures using the equity method	6(6)	(5,502)	-	(17,201)	-
7000 Total non-operating incomes and expenses		74,252	1	28,212	1
7900 Net income before tax		581,188	7	379,451	6
7950 Income tax expense	6(25)	(196,593)	(2)	(112,418)	(2)
8200 Net income for the period		\$ 384,595	5	\$ 267,033	4

(Continued)

Wonderful Hi-Tech Co., Ltd. and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand
(Except for earnings per share in NT\$)

			2024		2023	
Item		Note	Amount	%	Amount	%
Other comprehensive profit and loss (net)						
Items not reclassified subsequently to profit or loss						
8311	Remeasurement of defined benefit programs	6(14)	\$ 3,455	-	\$ 8,391	-
8312	Real estate revaluation appreciation		85,235	1		
8316	Unrealized equity instrument profit or loss measured at fair value through other comprehensive income	6(3)	(7,669)	-	723	-
8320	Share of other comprehensive income of affiliated enterprises and joint ventures accounted for using equity method - Items not to be reclassified into profit or loss	6(3)	4,399	-	8,938	-
8349	Income taxes related to the items not re-classified	6(25)	(691)	-	(1,694)	-
Items that may be reclassified subsequently to profit or loss						
8361	Exchange differences on translation of the financial statements of foreign operations		141,921	2	(25,311)	-
8370	Share of other comprehensive income of affiliated enterprises and joint ventures accounted for using equity method - Items may be reclassified into profit or loss		2,861	-	(1,432)	-
8399	Income tax related to items may be reclassified into profit or loss	6(25)	(23,690)	(1)	4,709	-
8300	Other comprehensive profit and loss (net)		<u>\$ 205,821</u>	<u>2</u>	<u>(\$ 5,676)</u>	<u>-</u>
8500	Total comprehensive income for this period		<u>\$ 590,416</u>	<u>7</u>	<u>\$ 261,357</u>	<u>4</u>
Net income attributable to:						
8610	owners of the parent company		\$ 358,077	5	\$ 224,416	3
8620	Non-controlling interests		26,518	-	42,617	1
			<u>\$ 384,595</u>	<u>5</u>	<u>\$ 267,033</u>	<u>4</u>
Total comprehensive income attributable to:						
8710	owners of the parent company		\$ 526,031	6	\$ 221,479	3
8720	Non-controlling interests		64,385	1	39,878	1
			<u>\$ 590,416</u>	<u>7</u>	<u>\$ 261,357</u>	<u>4</u>
Earnings per share 6(26)						
9750	Basic earnings per share		<u>\$ 2.28</u>		<u>\$ 1.46</u>	
9850	Diluted earnings per share		<u>\$ 2.06</u>		<u>\$ 1.36</u>	

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Chairman: Ming-Lieh Chang

Managerial Officer: Cheng-Ya Chang

Accounting Officer: Yu-Hsiu Hsu

Wonderful Hi-Tech Co., Ltd. and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

Equity attributable to owners of parent company													
Retained earnings						Other equity		Real estate revaluation appreciation	Treasury shares	Total	Non-controlling interests	Total	
Note	Common share capital	Capital surplus	Statutory reserves	Special reserves	Undistributed earnings	Exchange differences on translation of the financial statements of foreign operations	Unrealized financial assets profit or loss measured at fair value through other comprehensive income						
<u>2023</u>													
Balance as of January 1, 2023		\$ 1,616,652	\$ 383,677	\$ 91,626	\$ 169,203	\$ 491,831	(\$ 34,458)	\$ 12,847	\$ -	(\$ 128,532)	\$ 2,602,846	\$ 431,459	\$ 3,034,305
Net income for the period		-	-	-	-	224,416	-	-	-	-	224,416	42,617	267,033
Other comprehensive income/loss of the period	6(3)	-	-	-	-	6,197	(18,623)	9,489	-	-	(2,937)	(2,739)	(5,676)
Total comprehensive income for this period		-	-	-	-	230,613	(18,623)	9,489	-	-	221,479	39,878	261,357
2022 Appropriation and distribution of retained earnings:	6(18)												
Statutory reserves		-	-	48,904	-	(48,904)	-	-	-	-	-	-	-
Special reserves		-	-	-	(49,901)	49,901	-	-	-	-	-	-	-
Cash dividends		-	-	-	-	(308,102)	-	-	-	-	(308,102)	-	(308,102)
Conversion of convertible bonds	6(11)(17)	1,260	2,843	-	-	-	-	-	-	-	4,103	-	4,103
Disposal of investments by the equity method	6(3)	-	-	-	-	570	-	(570)	-	-	-	-	-
Investment companies by the equity method dispose of equity instrument shares measured through fair value in other cases and profit and loss cases	6(3)	-	-	-	-	-	-	-	-	-	-	-	-
Difference between actual price of subsidiary equity acquired and the book value	6(17)(27)	-	1,479	-	-	-	-	-	-	-	1,479	(50,654)	(49,175)
Net change in affiliated enterprises and joint ventures accounted for under equity method	6(17)	-	881	-	-	(146)	-	-	-	-	735	-	735
Decrease in non-controlling interests		-	-	-	-	-	-	-	-	-	-	(13,406)	(13,406)
Balance as of December 31, 2023		\$ 1,617,912	\$ 388,880	\$ 140,530	\$ 119,302	\$ 429,567	(\$ 53,081)	\$ 7,962	-	(\$ 128,532)	\$ 2,522,540	\$ 407,277	\$ 2,929,817
<u>2024</u>													
Balance as of January 1, 2024		\$ 1,617,912	\$ 388,880	\$ 140,530	\$ 119,302	\$ 429,567	(\$ 53,081)	\$ 7,962	\$-	(\$ 128,532)	\$ 2,522,540	\$ 407,277	\$ 2,929,817
Net income for the period		-	-	-	-	358,077	-	-	-	-	358,077	26,518	384,595
Other comprehensive income/loss of the period	6(3)	-	-	-	-	2,729	95,357	290	69,578	-	167,954	37,867	205,821
Total comprehensive income for this period		-	-	-	-	360,806	95,357	290	69,578	-	526,031	64,385	590,416
2023 Appropriation and distribution of retained earnings:	6(18)												
Statutory reserves		-	-	24,484	-	(24,484)	-	-	-	-	-	-	-
Special reserves		-	-	-	23,509	(23,509)	-	-	-	-	-	-	-
Cash dividends		-	-	-	-	(185,013)	-	-	-	-	(185,013)	-	(185,013)
Conversion of convertible bonds	6(11)(17)	18,685	42,618	-	-	-	-	-	-	-	61,303	-	61,303
treasury stock transfer employee	6(16)(17)	-	(525)	-	-	-	-	-	-	67,524	66,999	-	66,999
Distribute dividends to non-controlling interests		-	-	-	-	-	-	-	-	-	-	(7,794)	(7,794)
Net change in affiliated enterprises and joint ventures accounted for under equity method	6(17)	-	18,871	-	-	-	-	-	-	-	18,871	-	18,871
Net change in non-controlling interests	6(27)	-	-	-	-	-	-	-	-	-	-	32,830	32,830
Receiving gifts from shareholders	6(17)	-	415	-	-	-	-	-	-	-	415	-	415
Share-based payment transaction	6(15)(17)	-	53,200	-	-	-	-	-	-	-	53,200	-	53,200
Disposal of investments by the equity method	6(3)	-	-	-	-	1,111	(1,111)	-	-	-	-	-	-
Balance as of December 31, 2024		\$ 1,636,597	\$ 503,459	\$ 165,014	\$ 142,811	\$ 558,478	\$ 42,276	\$ 7,141	\$ 69,578	\$ 61,008	\$ 3,064,346	\$ 496,698	\$ 3,561,044

Opinion

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Chairman: Ming-Lieh Chang

Managerial Officer: Cheng-Ya Chang

Accounting Officer: Yu-Hsiu Hsu

Wonderful Hi-Tech Co., Ltd. and Subsidiaries
Consolidated Statement of Cash Flow
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

	Note	January 1 to December 31, 2024	January 1 to December 31, 2023
<u>Cash flows from operating activities</u>			
Net income before income tax		\$ 581,188	\$ 379,451
Adjustments			
Income/expenses items			
Amortization expenses	6(10)(24)	18,085	15,974
Depreciation expenses	6(7)(8)(24)	200,927	187,842
Expected credit impairment losses		6,302	(11,281)
Interest income	6(20)	(16,328)	(18,378)
Dividend income	6(21)	(685)	(647)
Interest expenses	6(23)	55,718	62,485
Gains on disposal of property, plant and equipment	6(22)	(6,274)	(38,380)
Loss on disposal of Intangible assets	6(22)	19	-
Net gain on financial assets and liabilities at fair value through profit or loss	6(22)	11,556	14,672
Losses from disposals of investments	6(22)	(17,214)	(5,089)
Investment real estate fair value adjustment benefits	6(9)(22)	(1,925)	-
Share of profits and losses of affiliated enterprises and joint ventures using the equity method	6(6)	5,502	17,201
Share-based payments	6(15)	53,200	-
Change in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		3,496	6,862
Notes receivable		8,439	27,455
Accounts receivable	(	580,873)	306,746
Accounts receivable - related party	(	11,529)	8,579
Other receivables	(	56,578)	(7,129)
Other receivables - related Party		216	779
Inventory	(	228,821)	296,669
Prepayments		315	(4,866)
Other current assets		15,183	(13,825)
Net changes in liabilities relating to operations			
Financial liabilities measured at fair value through profit or loss	(	8,001)	(18,327)
Accounts payable		191,451	(97,387)
Accounts payable - related party	(	12,738)	(19,090)
Other payables		33,891	(60,789)
Other payables - related party	(	6,653)	(269)
Other current liabilities		21,180	6,079
Other non-current liabilities		10,809	1,035
Cash inflow (outflow) from operating activities		269,858	1,036,372
Interest received		17,019	18,921
Dividends received		685	1,248
Interests paid	(	31,020)	(42,453)
Income taxes paid	(	144,066)	(132,189)
Net cash inflow (outflow) from operating activities		112,476	881,899

(Continued)

Wonderful Hi-Tech Co., Ltd. and Subsidiaries
Consolidated Statement of Cash Flow
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

	Note	January 1 to December 31, 2024	January 1 to December 31, 2023
<u>Cash flows from investing activities</u>			
Decrease (increase) in other financial assets		(\$ 107,459)	\$ 28,860
Acquisition of financial assets at fair value through other comprehensive income		(4,675)	-
Acquisition of investments by equity method	6(6)	(25,382)	-
Proceeds from disposal of investments by equity method	6(6)	31,200	9,591
Acquisition of property, plant and equipment	6(28)	(183,089)	(135,612)
Proceeds from disposal of property, plant and equipment		14,621	40,425
Acquisition of Intangible assets	6(10)	(13,449)	(13,019)
Acquisition of financial assets at fair value through profit or loss		-	(1,002)
Decrease in refundable deposits		1,371	257
Obtain dividends from affiliated enterprises		634	-
Decrease (increase) in other non-current assets		(7,119)	4,415
Net cash outflow from investment activities		(293,347)	(66,085)
<u>Cash flows from financing activities</u>			
Increase in short-term borrowings	6(29)	319,267	(365,098)
Increase in long-term borrowings	6(29)	80,659	48,000
Repayments of long-term borrowings	6(29)	(48,725)	(48,213)
treasury stock transfer employee	6(16)	66,999	-
Repaid principal of lease liabilities	6(29)	(38,270)	(36,525)
Cash dividends paid	6(18)	(185,013)	(308,102)
Changes in non-controlling interests	6(27)	32,830	(49,175)
Payment of cash dividends to non-controlling interests		(7,794)	(13,406)
Receiving gifts from shareholders	6(17)	415	-
Net cash inflow from financing activities		220,368	(772,519)
Exchange rate effects		80,487	(41,914)
Increase in cash and cash equivalents for the period		119,984	1,381
Balance of cash and cash equivalents at beginning of period		718,389	717,008
Balance of cash and cash equivalents at end of period		<u>\$ 838,373</u>	<u>\$ 718,389</u>

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Chairman: Ming-Lieh Chang

Managerial Officer: Cheng-Ya Chang

Accounting Officer: Yu-Hsiu Hsu

Wonderful Hi-Tech Co., Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023

Unit: NT\$ thousand
(Unless otherwise specified)

I. Company History

Wonderful Hi-Tech Co., Ltd. (the “Company”) was established in June 1978 under the former company name of “Wonderful Wire Cable Co., Ltd.”. The name of the Company was changed to “Wonderful Hi-Tech Co., Ltd.” and approved by the competent authority in August 2002. The Company’s shares were officially listed on Taipei Exchange (TPEX) for trading on February 4, 1998. The main business of the Company and subsidiaries (“the Group”) refers to the manufacturing, purchase and sales, and import/export of various types of wires and cables.

II. Approval Date and Procedure of the Financial Statements

These consolidated financial statements were approved by the Board of Directors on March 12, 2025.

III. New Standards, Amendments and Interpretations Adopted

(I) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRSs”) as endorsed by the Financial Supervisory Commission (“FSC”)

The applicable new promulgated, amended and revised standards and interpretations of IFRSs endorsed by the FSC in 2024 are as follows:

<u>New, Amended, or Revised Standards and Interpretations</u>	<u>Effective date announced</u>
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024

The Group has assessed the aforementioned standards and interpretations, and concluded that the do not have significant effects on the Group’s financial position and financial performance.

(II) Effect of not adopting new issuances or amendments to International Financial Reporting Standards (“IFRSs”) endorsed by FSC

The applicable new promulgated, amended and revised standards and interpretations of IFRSs endorsed by the FSC in 2025 are as follows:

<u>New, Amended, or Revised Standards and Interpretations</u>	<u>Effective date announced by IASB</u>
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025
The Group has assessed the aforementioned standards and interpretations, and concluded that the do not have significant effects on the Group’s financial position and financial performance.	

(III) Effects of the IFRSs issued by IASB but not yet endorsed by the FSC

New standards and interpretations of and amendments to the IFRSs issued by IASB but not yet endorsed by the FSC are as follows:

<u>New, Amended, or Revised Standards and Interpretations</u>	<u>Effective date announced by IASB</u>
Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026
Amendments to IFRS 9 and IFRS 7, ‘Contracts referencing naturedependent 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 International Accounting Standards Board
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendment 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
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the above standards, interpretations and amendments have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment. IFRS 18, ‘Presentation and disclosure in financial statements’

IFRS 18, ‘Presentation and disclosure in financial statements’ replaces IAS 1. The standard introduces a defined structure of the statement of comprehensive income, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

IV. Summary of material accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods

presented, unless otherwise stated.

(I) Compliance Statement

These consolidated financial statements have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” , International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(II) Basis of Preparation

1. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
 - (1) Financial assets and liabilities (including derivatives) at fair value through profit or loss.
 - (2) Financial assets at fair value through other comprehensive income.
 - (3) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
2. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(III) Basis of Consolidation

1. Principles for preparing the consolidated financial statements
 - (1) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries refer to all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - (2) Inter-company transactions, balances, and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - (3) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the noncontrolling interests having a deficit balance.
 - (4) Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

- (5) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

2. Subsidiaries included in the consolidated financial statements:

<u>Name of investor</u>	<u>Subsidiary name</u>	<u>Business nature</u>	<u>Shareholding percentage (%)</u>		<u>Description</u>
			<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	
Wonderful Hi-Tech Co., Ltd. (Wonderful Hi-Tech)	Wonderful Holding (Cayman) Co., Ltd. (Wonderful Holding Cayman)	Holding company of investment	100	100	
Wonderful Hi-Tech	Lord Hero International Co., Ltd. (Le Hao International)	"	81.63	81.63	Note 1
Wonderful Hi-Tech	Yi-Tai Technology Co., Ltd. (Yi-Tai Technology)	"	100	100	
Wonderful Hi-Tech	Wonderful Cabling Systems Corporation (Wonderful Cabling Systems)	Sales of wires and cables	80	80	
Wonderful Hi-Tech	Vietnam Wonderful Wire Cable Co., Ltd. (Vietnam Wonderful Wire Cable)	Sales and manufacturing of wires and cables	50	50	
Wonderful Hi-Tech	ABA Industry Inc. (ABA)	Sales of wires and cables	56.1	56.1	
Wonderful Hi-Tech	Wht International Llc. (WHT)	Real estate leasing	100	100	Note 4
Wonderful Holding Cayman	Wonderful International (Cayman) Co., Ltd. (Wonderful International Cayman)	Holding company of investment	100	100	
Wonderful International Cayman	Thai Wonderful Wire Cable Co., Ltd. (Thai Wonderful Wire Cable)	Sales and manufacturing of wires and cables	43.5	43.5	Note 2

<u>Name of investor</u>	<u>Subsidiary name</u>	<u>Business nature</u>	<u>Shareholding percentage (%)</u>		<u>Description</u>
			<u>December 31, 2024</u>	<u>December 31, 2023</u>	
Wonderful International Cayman	Wonderful Holding (Thailand) Co., Ltd. (Wonderful Holding Thailand)	Holding company of investment	100	100	
Wonderful International Cayman	ABA	Sales of wires and cables	43.9	43.9	
Wonderful Holding Thailand	Thai Wonderful Wire and Cable	Sales and manufacturing of wires and cables	27.2	30	Note 3
Thai Wonderful Wire and Cable	Vietnam Wonderful Wire and Cable	"	50	50	
Lord Hero International	Lord Hero Co., Ltd. (Lord Hero Hong Kong)	Sales of wires and cables	100	100	
Lord Hero Hong Kong	Wonderful Photoelectricity (Dongguan) Co., Ltd. (Wonderful Photoelectricity Dongguan)	Sales and manufacturing of wires and cables	100	100	
Yi-Tai Technology	Shanghai Elitech Technology Co., Ltd. (Elitech Technology)	Computer software development, manufacturing and sales of own products and surveillance equipment	-	100	Note 5
Wonderful Hi-Tech	ACTife Hi-Tech Co., Ltd. (ACTife Hi-Tech)	Sales of non-woven fabric processing products	100	100	
Wonderful Hi-Tech	Leading LOHAS International Trading Company (Leading LOHAS International)	Sales of non-woven fabric processing products	100	100	

Note 1: Wonderful Hi-Tech purchased 1.14%、5.86%、0.40% and 2.36% of equity of Lord Hero International on December 31、August 17、February 1, 2023 and April 29, 2022. Please refer to Note 6(27) for details.

Note 2: Wonderful International Cayman participated in Thai Wonderful Wire and Cable's cash capital increase in the first quarter of 2024, so the shareholding ratio changed.

Note 3: Wonderful Holding Thailand did not participate in Thai Wonderful Wire Cable's cash capital increase in the first quarter of 2024, so the shareholding ratio changed.

Note 4: Wonderful Hi-Tech completed the registration of WHT in December 2023. As of December 31, 2023, capital had not yet been injected. The capital injection is

scheduled to take place in the second quarter of 2024.

Note 5: On August 31, 2024, the Group sold 100% equity interest in its subsidiary, Elitech Technology, resulting in the loss of control over the subsidiary

3. Subsidiaries not included in the consolidated financial statements: None.
4. Adjustments for subsidiaries with different balance sheet dates: None.
5. Significant restrictions: None.
6. Subsidiaries that have non-controlling interests that are material to the Group

The total non-controlling interests of the Group as of December 31, 2024 and 2023 were NT\$496,698 NT\$407,277 respectively. The following provides information on the non-controlling interests and subsidiaries thereof having materiality on the Group:

<u>Subsidiary name</u>	<u>Main operating location</u>	<u>Non-controlling interests December 31, 2024</u>		<u>Non-controlling interests December 31, 2023</u>	
		<u>Amount</u>	<u>Shareholding percentage</u>	<u>Amount</u>	<u>Shareholding percentage</u>
Lord Hero International	Hong Kong	\$ 135,422	18.37	\$ 121,946	18.37
Thai Wonderful Wire and Cable	Thailand	342,947	26.50	269,792	26.50

Summary of financial information of subsidiaries:

(1) Balance Sheet

		<u>Lord Hero International Co., Ltd.</u>	
		<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current assets		\$ 635,827	\$ 605,202
Non-current assets		273,726	163,198
Current liabilities		(170,399)	(102,219)
Non-current liabilities		<u>(1,961)</u>	<u>(2,350)</u>
Total net assets		<u>\$ 733,193</u>	<u>\$ 663,831</u>

		<u>Thai Wonderful Wire Cable Co., Ltd.</u>	
		<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current assets		\$ 1,267,442	\$ 1,000,256
Non-current assets		1,016,838	876,994
Current liabilities		(895,487)	(800,462)
Non-current liabilities		<u>(94,654)</u>	<u>(58,704)</u>
Total net assets		<u>\$ 1,294,139</u>	<u>\$ 1,018,084</u>

(2) Statement of Comprehensive Income

		<u>Lord Hero International Co., Ltd.</u>	
		<u>2024</u>	<u>2023</u>
Revenue		<u>\$ 1,128,172</u>	<u>\$ 875,542</u>
Net income before tax		(\$ 47,744)	\$ 22,896
Income tax expense		<u>(6,198)</u>	<u>3,170</u>

Net income for the period	(53,942)	26,066
Other comprehensive income (net, after tax)	<u>127,304</u>	<u>(9,185)</u>
Total comprehensive income for this period	<u>\$ 73,362</u>	<u>\$ 16,881</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ 13,477</u>	<u>\$ 3,344</u>
Non-controlling interests dividends paid	<u>\$ -</u>	<u>\$ (6,212)</u>

Thai Wonderful Wire Cable Co., Ltd.

	<u>2024</u>	<u>2023</u>
Revenue	<u>\$ 2,268,319</u>	<u>\$ 2,222,444</u>
Net income before tax	\$ 124,043	\$ 140,449
Income tax expense	<u>(8,427)</u>	<u>(16,496)</u>
Net income for the period	115,616	123,953
Other comprehensive income (net, after tax)	<u>54,637</u>	<u>(2,958)</u>
Total comprehensive income for this period	<u>\$ 170,253</u>	<u>\$ 120,995</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ 45,117</u>	<u>\$ 32,064</u>
Non-controlling interests dividends paid	<u>(\$ 4,791)</u>	<u>(\$ 3,594)</u>

(3) Statement of Cash Flows

Lord Hero International Co., Ltd.

	<u>2024</u>	<u>2023</u>
Net cash inflow (outflow) from operating activities	(\$ 121,339)	(\$ 1,135)
Net cash inflow (outflow) from investment activities	(25,290)	(16,984)
Net cash inflow from financing activities	26,776	(32,218)
Effect of exchange rate changes on cash and cash equivalents	<u>42,065</u>	<u>(5,914)</u>
Increase (decrease) in cash and cash equivalents for the period	<u>(77,788)</u>	<u>(56,251)</u>
Balance of cash and cash equivalents at beginning of period	<u>161,134</u>	<u>217,385</u>
Balance of cash and cash equivalents at end of period	<u>\$ 83,346</u>	<u>\$ 161,134</u>

Thai Wonderful Wire Cable Co., Ltd.

	<u>2024</u>	<u>2023</u>
Net cash inflow (outflow) from operating activities	(\$ 235,454)	\$ 209,862
Net cash inflow (outflow) from investment activities	(53,750)	(38,178)
Net cash inflow from financing activities	242,551	(195,085)
Effect of exchange rate changes on cash and cash equivalents	<u>67,942</u>	<u>(5,496)</u>
Increase (decrease) in cash and cash equivalents for the period	<u>21,289</u>	<u>(28,897)</u>
Balance of cash and cash equivalents at beginning of period	<u>56,364</u>	<u>85,261</u>
Balance of cash and cash equivalents at end of period	<u><u>\$ 77,653</u></u>	<u><u>\$ 56,364</u></u>

(IV) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and Group's presentation currency.

1. Foreign currency transactions and balance

- (1) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- (2) Monetary assets and liabilities denominated in foreign currencies at the period end are retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
- (3) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, nonmonetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (4) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

2. Translation of foreign operations

- (1) The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - A. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - B. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - C. All resulting exchange differences are recognized in other comprehensive income.
- (2) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Group retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (3) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(V) Classification of current and non-current items

1. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (1) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (2) Assets held mainly for trading purposes;
 - (3) Assets that are expected to be realised within twelve months from the balance sheet date;
 - (4) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
2. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
 - (1) Liabilities that are expected to be settled within the normal operating cycle;
 - (2) Liabilities arising mainly from trading activities;
 - (3) Liabilities that are to be settled within twelve months from the balance sheet date;
 - (4) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(VI) Cash equivalents

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

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

1. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income..
2. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.
3. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.
4. The Group recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(VIII) Financial assets at fair value through other comprehensive income (FVOCI)

1. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income.
2. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.
3. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably

(IX) Financial assets at amortised cost

1. Financial assets at amortised cost are those that meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
2. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

3. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

(X) Accounts and Notes Receivables

1. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
2. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(XI) Impairment of Financial Assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost (including accounts receivable or contract assets that have a significant financing component, lease receivables, loan commitments and financial guarantee contracts), at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(XII) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(XIII) Leasing arrangements (lessor) - operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(XIV) Inventory

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(XV) Investment accounted for under the equity method /associates

1. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments

in associates are accounted for using the equity method and are initially recognised at cost.

2. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
3. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes the Group's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.
4. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
5. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
6. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(XVI) Property, plant and equipment

1. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
2. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

3. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
4. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	5~55 years
Machinery and equipment	5~30 years
Office equipment	5~10 years
Other equipment	3~50 years

(XVII) Lease Transactions of a Lessee - Right-of-use Assets/Lease Liabilities

1. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
2. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.

Lease payments are comprised of the following:

Fixed payments, less any lease incentives receivable;

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications..

3. At the commencement date, the right-of-use asset is stated at cost comprising the following:

The amount of the initial measurement of lease liability ;

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(XVIII) Investment property

An investment property is stated initially at its cost and measured subsequently using the fair value model. A gain or loss arising from a change in the fair value of investment property is recognised in profit or loss.

(XIX) Intangible assets

1. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 2 to 5 years..

2. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

3. Customer relation and competition clauses

Since customer relation and competition clauses are obtained due to corporate mergers, they are recognized according to the fair value at the acquisition date. The fair value entry is based on the valuation assessment and it is amortized for 2~7 years via the straight-line method.

(XX) Impairment of Non-Financial Assets

1. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.
2. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.
3. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(XXI) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(XXII) Accounts and Notes Payable

1. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
2. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(XXIII) Financial liabilities measured at fair value through profit or loss

1. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.
2. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(XXIV) Convertible bonds payable

Convertible bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

1. The embedded call options and put options are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.
2. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.
3. The embedded conversion options which meet the definition of an equity instrument are initially recognised in 'capital surplus—share options' at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.
4. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
5. When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability

component and 'capital surplus—share options'.

(XXV) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(XXVI) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(XXVII) Non-hedging derivatives

Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.

(XXVIII) Employee benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

2. Pension

(1) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(2) Defined benefit plans

A. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior period. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) instead.

B. Remeasurements arising from defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Past service costs are recognized immediately in profit or loss.

3. Employee compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(XXIX) Employees share-based payments

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(XXX) Income tax

1. The tax expense comprises current tax and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
2. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
3. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates , except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset

is realised or the deferred tax liability is settled.

4. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.
5. Current income tax assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(XXXI) Share capital

1. Ordinary shares are classified as equity Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
2. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(XXXII) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(XXXIII) Revenue recognition

Sale of goods

1. The Group manufactures and sells a range of furniture and electronic equipment in the wholesale market. Sales are recognised when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
2. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before

the payment is due.

(XXXIV) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

V. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(I) Critical judgements in applying the Group's accounting policies

None.

(II) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2024, the carrying amount of the Group's inventory was NT\$1,591,727.

VI. Details of Significant Accounts

(I) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and revolving funds	\$ 4,115	\$ 1,685
Checking deposits and demand deposits	658,061	585,801
Time deposits	176,197	130,903
	\$ 838,373	\$ 718,389

1. Since the Group corresponds with multiple financial institutions with good credit quality to diversify credit risks, the risk of default is expected to be low.
2. The Group has classified the cash and cash equivalents provided for security under the "other financial assets - current". Please refer to Note 8 for details.
3. The Group has classified the restricted cash and cash equivalents to "other non-current

assets - others”.

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

<u>Item</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current items:		
Financial assets at fair value through profit or loss - shares listed on the stock exchange or the OTC market	\$ 3,669	\$ 3,669
Derivatives		
- Forward exchange	-	1,340
- Convertible bond redemption right	18,660	20,258
	22,329	25,267
Adjustments for change in value	(20,209)	(22,008)
	<u>\$ 2,120</u>	<u>\$ 3,259</u>
Current items:		
Financial liabilities derivatives possessed for transaction		
- Forward exchange	(\$ 3,069)	\$ -
- Forward commodity	(2,973)	-
	<u>(\$ 6,042)</u>	<u>\$ -</u>
<u>Item</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Non-current items:		
Financial assets at fair value through profit or loss -		
- Corporate bonds	\$ 1,002	\$ 1,002
Adjustments for change in value	(8)	(1)
	<u>\$ 994</u>	<u>\$ 1,001</u>

1. Detail of the financial assets (liabilities) at fair value through profit or loss recognized under profit or loss is as follows:

	<u>2024</u>	<u>2023</u>
Financial assets and liabilities at fair values compulsorily through profit or loss		
Equity instruments	\$ 202	(\$ 72)
Debt instruments	(7)	(1)
Derivatives		
Forward commodity	(2,376)	(746)
Forward exchange	(9,512)	(7,930)
Convertible bond redemption right	137	(5,923)
	<u>(\$ 11,556)</u>	<u>(\$ 14,672)</u>

2. The Group's handling of transactions and contracts of derivative financial assets (liabilities) to which hedge accounting is not applicable is described in the following:

<u>December 31, 2024</u>		
<u>Derivative financial assets/liabilities</u>	<u>Contract amount (Item principal) (NT\$ thousand)</u>	<u>Contract period</u>
Current items:		
Derivative financial liabilities		
Forward commodity agreement		
-Pre-order copper	USD 975	2024.10.08-2025.01.06
Forward exchange agreement (FXA)		
-Sale of USD and purchase of NTD	USD 1,000	2023.10.23-2024.01.23

<u>December 31, 2023</u>		
<u>Derivative financial assets/liabilities</u>	<u>Contract amount (Item principal) (NT\$ thousand)</u>	<u>Contract period</u>
Current items:		
Derivative financial liabilities		
Forward exchange agreement (FXA)		
-Sale of USD and purchase of NTD	USD 1,000	2023.10.23-2024.01.23

3. The forward exchange and commodity contracts signed by the Group were to hedge the exchange rate risk of (import) export and to hedge the price fluctuation of current positions; however, the hedge accounting was not applied.
4. The Group has not pledged financial assets at fair value through profit or loss.
5. Please refer to Notes 12(2) for information relating to credit risk of financial assets (liabilities) at fair value through profit or loss.

(III) Financial assets at fair value through other comprehensive income (FVOCI)

Item	December 31, 2024	December 31, 2023
Non-current:		
Equity instruments		
Shares not traded on the stock exchange, the OTC market, or the emerging stock market	\$ 61,279	\$ 55,999
Adjustments for change in value	3,490	9,879
	\$ 64,769	\$ 65,878

1. The Group chose to classify its strategic investment equity instruments as the financial assets at fair value through other comprehensive income, and the fair value of such investment as of December 31, 2024 and 2023 were amounted to NT\$64,769 and NT\$65,878 respectively.

2. Financial assets at fair value through other comprehensive income recognized in profit and loss/comprehensive income are as follows:

	<u>2024</u>	<u>2023</u>
<u>Equity instruments at fair value</u>		
Changes in fair value recognized in other comprehensive income - the Group	(\$ 4,144)	\$ 632
Changes in fair value recognized in other comprehensive income - investment accounted for under the equity method	4,434	8,857
Changes in fair value recognized in other comprehensive income - non-controlling interests	(3,525)	91
Accumulated benefits transferred to retained earnings due to delisting	<u>(1,111)</u>	<u>(14,374)</u>
	<u>(\$ 4,346)</u>	<u>(\$ 4,794)</u>

3. The Group has not pledged Financial assets at fair value through other comprehensive income.
4. Please refer to Notes 12(2) for information relating to credit risk of financial assets at fair value through other comprehensive income.

(IV) Notes and accounts receivable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes receivable	\$ 70,882	\$ 79,321
Less: Allowance for bad debt	-	-
	\$ 70,882	\$ 79,321
Accounts receivable	\$ 1,804,998	\$ 1,230,202
Less: Allowance for bad debt	(36,040)	(34,976)
	\$ 1,768,958	\$ 1,195,226

1. The aging analysis of accounts receivable (including related party) and notes receivable is as follows:

	<u>December 31, 2024</u>		<u>December 31, 2023</u>	
	<u>Accounts receivable</u> <u>(including related party)</u>	<u>Notes receivable</u>	<u>Accounts receivable</u> <u>(including related party)</u>	<u>Notes receivable</u>
Not overdue	\$ 1,739,300	\$ 70,882	\$ 1,154,216	\$ 79,321
Within 30 days	49,152	-	49,582	-
31~90 days	9,482	-	13,960	-
Above 91 days	32,663	-	26,514	-
	\$ 1,830,597	\$ 70,882	\$ 1,244,272	\$ 79,321

The above aging schedules were based on the number of days past the due date.

2. As of December 31, 2024, December 31, 2023 and January 1, 2023, the balances of

receivables (including notes receivable) from contracts of the Group with customers amounted to NT\$1,901,479, NT\$1,323,593 and NT\$1,666,382, respectively.

3. The Group does not hold any collateral

4. As at December 31, 2024 and December 31, 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable was \$70,882 and \$79,321, \$1,768,598 and \$1,195,226, respectively.

5. Credit risks associated with accounts receivable and notes receivable are stated in Note 12(2).

(V) Inventory

		<u>December 31, 2024</u>	
	<u>Costs</u>	<u>Allowance for inventory valuation</u>	<u>Carrying amount</u>
Raw materials	\$ 288,385	(\$ 19,729)	\$ 268,656
Work in process	305,918	(6,546)	299,372
Finished products	602,366	(23,496)	578,870
Merchandise inventory	338,007	(39,119)	298,888
Inventory in transit	145,941	-	145,941
	\$ 1,680,617	(\$ 88,890)	\$ 1,591,727

		<u>December 31, 2023</u>	
	<u>Costs</u>	<u>Allowance for inventory valuation</u>	<u>Carrying amount</u>
Raw materials	\$ 377,212	(\$ 14,702)	\$ 362,510
Work in process	301,583	(13,266)	288,317
Finished products	424,517	(21,824)	402,693
Merchandise inventory	354,048	(69,147)	284,901
Inventory in transit	24,485	-	24,485
	\$ 1,481,845	(\$ 118,939)	\$ 1,362,906

The inventory costs recognized as expenses by the Group in the current period:

	<u>2024</u>	<u>2023</u>
Cost of inventory sold	\$ 6,894,274	\$ 5,629,512
Income from sale of scrap and waste materials	(121,315)	(93,826)
Inventory valuation (gain) losses	(30,049)	17,504
Loss (gain) on physical inventory and loss of scrap	14,667	4,535
	\$ 6,757,577	\$ 5,557,725

(VI) Investment accounted for under the equity method

1. Detail is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Associates:		

Wanshih Electronic Co., Ltd. (Wanshih Electronic) (Note 1) (Note 2)	\$ 284,160	\$ 269,297
Wan Shih (Hong Kong) Co., Ltd. (Wan Shih Hong Kong)	20,279	19,310
Suzhou Wanshih Optical Communication Co., Ltd. (Suzhou Wanshih)	11,380	11,380
Inga Nano Technology Co., Ltd. (Inga Nano Technology) (Note 3)	30,295	29,254
ALPHA TREASURE INVESTMENTS LIMITED (ALPHA) (Note 4)	5,267	3,200
HONG YI CABLE CO., LTD.(HONG YI)(Note 5)	11,992	-
	363,373	332,441
Accumulated impairment loss	(53,167)	(55,248)
	\$ 310,206	\$ 277,193

Note 1: The company disposed of 319,000 shares of Wanshih Electronic, a material associates of the Group in 2023, the disposal price is \$7,553 and its investment has not lost its significant influence, so it is prorated transfer the amount previously recognized in other comprehensive profit or loss and recognize it in "Other gains and losses Loss-disposal of investment interests" totaling \$3,051.

Note 2: In the year of 2024, the corporate bonds issued by Wanshih Electronic were gradually converted into common shares. Additionally, the company disposed of 830,000 shares of Wanshih Electronic, a material associates of the Group in 2024, the disposal price is \$31,200 and its investment has not lost its significant influence, so it is prorated transfer the amount previously recognized in other comprehensive profit or loss and recognize it in "Other gains and losses Loss-disposal of investment interests" totaling \$18,840.

Note 3: In 2024, the company participated in the cash capital increase of Inga Nano Technology totaling \$8,400, and the shareholding ratio remained unchanged.

Note 4: In 2024, the company participated in the cash capital increase of ALPHA Company totaling \$4,982, and the shareholding ratio remained unchanged.

Note 5: The company participated in the cash capital increase of HONG YI, totaling \$12,000 with a shareholding ratio of 40%, to explore the India market.

2. Share of profit or loss of associates accounted for using equity method:

	<u>2024</u>	<u>2023</u>
Wanshih Electronic	\$ 4,321	(\$ 11,790)
Wan Shih Hong Kong	659	100
Inga Nano Technology	(7,358)	(3,174)
ALPHA	(3,116)	(2,337)
HONG YI	(8)	-
	(\$ 5,502)	(\$ 17,201)

3. The investment income (loss) recognized under equity method of the investee Inga Nano Technology for the years ended 2024 and 2023 was obtained from the financial statement valuation audited by other CPAs retained by the investee.

4. (1) The basic information of material associates of the Group is as follows:

<u>Shareholding percentage</u>					
<u>Company name</u>	<u>Main operating location</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>the Group</u>	<u>Measurement method</u>
Wanshih Electronic	Taiwan	20.55%	24.11%	Strategic investment	Equity method

(2) The summary on the financial information of material associates of the Group is as follows:

Balance Sheet

	<u>Wanshih Electronic</u>	
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current assets	\$ 307,514	\$ 291,173
Non-current assets	879,526	846,591
Current liabilities	(173,989)	(144,270)
Non-current liabilities	(65,269)	(265,774)
Total net assets	\$ 947,782	\$ 727,720
Proportion of net assets of associate held by the Group	\$ 194,769	\$ 175,454
Goodwill	47,604	49,975
Associate carrying value	\$ 242,373	\$ 225,429

Statement of Comprehensive Income

	<u>Wanshih Electronic</u>	
	<u>2024</u>	<u>2023</u>
Revenue	\$ 586,890	\$ 617,280
Net income (loss) of current period	(\$ 17,555)	(\$ 48,771)
Other comprehensive income (net, after tax)	21,693	30,995
Total comprehensive income for this period	\$ 39,248	(\$ 17,776)
Dividends received from associate	\$ -	\$ -

(3) The summary on the share of individual non-material associate's carrying amount and operating result of the Group is as follows:

As of December 31, 2024 and 2023, the total of the carrying amount of individual non-material associate of the Group were NT\$67,833 and NT\$51,764 respectively.

	<u>2024</u>	<u>2023</u>
Net loss for the period	(\$ 9,823)	(\$ 5,411)
Other comprehensive income (net, after tax)	1,146	(343)
Total comprehensive income for this period	(\$ 8,677)	(\$ 5,754)

5. The Group's material associate Wanshih Electronic had the quoted price, and its fair value as of December 31, 2024 and 2023 was NT\$481,684 and NT\$342,947 respectively.
6. (1) Due to the operating loss of the investment under the equity method- Wanshih Electronic, for Wanshih Electronic and its subsidiary, the Group used the fixed asset useful value as the recoverable amount during the impairment test, and the impairment loss amount of NT\$47,175. In addition, due to the Group's disposal of Wanshih Electric's shares in 2023 and 2024, the accumulated impairment was delisted. As of December 31, 2024, the cumulative amount of impairment was \$41,787.
- (2) For the investment accounted for under the equity method - Suzhou Wanshih, held by the Group, due to the recoverable amount being lower than the carrying value, the impairment loss for the previous years were recognized in full at an amount of NT\$11,380.
- (3) For the investment accounted for under the equity method - Saga YesFamily, held by the Group, due to the recoverable amount being lower than the carrying value, the impairment loss for the previous years were recognized at an amount of NT\$3,499, and disposed all the shares in 2023.
7. The Company is the largest single shareholder of Wanshih Electronic and holds shares representing 20.55% of the voting rights. However, since the shareholding percentage of other top 10 major shareholders (non-related parties) is higher than that of the Company, and since there are no agreements for negotiation or group decision among the shareholders, the Company has no actual capability in directing material decisions. Accordingly, it is determined that the Company has no control power on the associate.
8. Please refer to Note 8 for information on collaterals provided for investments under equity method.

(VII) Property, plant and equipment

		<u>2024</u>				
	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Office equipment</u>	<u>Others</u>	<u>Total</u>
January 1						
Costs	\$ 186,588	\$ 601,927	\$ 1,900,159	\$ 71,549	\$ 446,624	\$ 3,206,847
Accumulated depreciation and impairment	-	(295,791)	(1,363,943)	(54,371)	(332,230)	(2,046,335)
	\$ 186,588	\$ 306,136	\$ 536,216	\$ 17,178	\$ 114,394	\$ 1,160,512
January 1	\$ 186,588	\$ 306,136	\$ 536,216	\$ 17,178	\$ 114,394	\$ 1,160,512
Addition	1,009	10,315	28,739	3,384	135,046	178,493
Loss of control over a subsidiary	-	-	-	(10)	(332)	(342)
Disposal	-	-	(7,243)	(31)	(731)	(8,005)
Transfer	-	390	47,860	4,346	(42,168)	10,428
Depreciation expenses	-	(28,135)	(100,117)	(5,767)	(27,197)	(161,216)
Net exchange differences	6,448	12,611	21,696	1,077	5,119	46,951
December 31	\$ 194,045	\$ 301,317	\$ 527,151	\$ 20,177	\$ 184,131	\$ 1,226,821
December 31						
Costs	\$ 194,045	\$ 635,913	\$ 2,004,746	\$ 82,198	\$ 549,156	\$ 3,466,058
Accumulated depreciation and impairment	-	(334,596)	(1,477,595)	(62,021)	(365,025)	(2,239,237)
	\$ 194,045	\$ 301,317	\$ 527,151	\$ 20,177	\$ 184,131	\$ 1,226,821

			2023			
	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Office equipment</u>	<u>Others</u>	<u>Total</u>
January 1						
Costs	\$ 182,392	\$ 572,218	\$ 1,834,813	\$ 70,022	\$ 432,880	\$ 3,092,325
Accumulated depreciation and impairment	-	(272,132)	(1,280,856)	(51,865)	(309,967)	(1,914,820)
	\$ 182,392	\$ 300,086	\$ 553,957	\$ 18,157	\$ 122,913	\$ 1,177,505
January 1	\$ 182,392	\$ 300,086	\$ 553,957	\$ 18,157	\$ 122,913	\$ 1,177,505
Addition	-	4,698	26,338	3,658	92,013	126,707
Transfer	-	-	(1,937)	-	(108)	(2,045)
Disposal	3,416	27,741	60,114	643	(75,164)	16,750
Depreciation expenses	-	(23,510)	(96,454)	(5,086)	(24,990)	(150,040)
Net exchange differences	780	(2,879)	(5,802)	(194)	(270)	(8,365)
December 31	\$ 186,588	\$ 306,136	\$ 536,216	\$ 17,178	\$ 114,394	\$ 1,160,512
December 31						
Costs	\$ 186,588	\$ 601,927	\$ 1,900,159	\$ 71,549	\$ 446,624	\$ 3,206,847
Accumulated depreciation and impairment	-	(295,791)	(1,363,943)	(54,371)	(332,230)	(2,046,335)
	\$ 186,588	\$ 306,136	\$ 536,216	\$ 17,178	\$ 114,394	\$ 1,160,512

1. For information on the pledge of property, plant and equipment, please refer to Note 8 for details.

2. In 2024, certain buildings and structures were reclassified from property, plant, and equipment to investment property due to a change in use from self-occupied to rental. The carrying amount of these buildings and structures on the date of the change in use was \$4,314, and the fair value was \$89,549.

(VIII) Lease transactions - lessee

1. The underlying assets of the Group's lease include lands, buildings, machinery equipment and company vehicles. The lease contract durations are typically for 3 to 8 years. Lease contracts are agreed upon individually and contain different terms and conditions. Except for leased assets shall not be used as collaterals, and are not restricted in any way.
2. The information on the carrying amount of the right-of-use asset and the recognized depreciation expense is as follows:

	<u>Carrying amount</u>	
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Land	\$ 65,268	\$ 45,465
Buildings	74,182	104,308
Transportation equipment (company vehicles)	2,222	3,730
	\$ 141,672	\$ 153,503
	<u>Depreciation expenses</u>	
	<u>2024</u>	<u>2023</u>
Land	\$ 1,748	\$ 1,754
Buildings	35,378	32,694
Transportation equipment (company vehicles)	2,585	3,354
	\$ 39,711	\$ 37,802

3. The Group's right-of-use asset increased by NT\$20,973 and NT\$7,530 for years ended 2024 and 2023, respectively.

4. Profit or loss items in relation to lease contracts are as follows:

	2024	2023
Items that affect profit or loss		
Interest expense of lease liabilities	\$ 1,315	\$ 1,659
Expenses attributable to short-term lease contracts	2,941	3,685

5. The Group's total cash used in lease contracts were NT\$42,526 and \$41,869 for the years ended 2024 and 2023, respectively.

6. Option of lease extension and option of lease termination

- (1) The lease subject matters classified as the building lease among the lease contracts of the Group is approximately 21%, including the option of extension that can be executed by the Group. The signing of such clause in the lease contract is to enhance the flexible operational management of the Group.
- (2) During the determination of lease period, the Group considers all of the facts and conditions related to economic incentives that may be generated due to exercise of the option of extension. When material event is assessed to occur due to exercise of the option of extension or non-exercise of the option of termination, the lease period will be re-evaluated.

(IX) Investment property

	<u>2024</u>	<u>2023</u>
January 1	\$ 158,319	\$ 158,319
Transfer from Property, plant and equipment	89,549	-
Fair value adjustment benefit	1,925,	-
Net exchange differences	2,882	-
December 31	\$ 252,675	\$ 158,319

1. Rental income from investment property and direct operating expenses arising from the investment property:

	<u>2024</u>	<u>2023</u>
Rental income from investment property	\$ 11,394	\$ 8,268
Direct operating expenses arising from the investment property generating rental income in the current period	\$ 1,277	\$ 216
Direct operating expenses arising from the investment property without generating rental income in the current period	\$ -	\$ -

2. Investment property fair value basis

The investment properties held by the Group are mainly located at Wugu District, New Taipei City. Fair price refers to the valuation result of independent valuation expert, and the valuation uses the equity method in order to perform assessment based on the rent of similar real properties at the relevant neighborhood areas of the assets. The main appraisal report information used is as follows:

(1) The locations of investment properties of the Group and the income approach used are summarized in the following:

<u>Year</u>	<u>Subject property</u>	<u>Location</u>	<u>Appraisal method</u>	<u>Appraiser</u>	<u>Appraiser firm</u>	<u>Appraisal base date</u>
December 31, 2024	Wugu Building	Wugu District, New Taipei City	Income approach	Wei-Han Sun	Xianjian	December 31, 2024
December 31, 2024	Hong Kong Building	Kowloon, Hong Kong	Income approach	Andy Shiu	Jones Lang	December 31, 2024
December 31, 2023	Wugu Building	Wugu District, New Taipei City	Income approach	Wei-Han Sun	Xianjian	December 31, 2023

(2) For the individual case using the income approach, the income value estimation adopts the discounting cash flow analysis method. The cash inflow refers to the annual rent income, and the cash outflow includes land value tax, house tax, insurance fee, management and maintenance fee, replacement allowance and other relevant operating expenses. The main parameters used are as follows:

<u>Year</u>	<u>Subject property</u>	<u>Period</u>	<u>Discount rate (Note 1)</u>	<u>Income capitalization rate (Note 2)</u>
December 31, 2024	Wugu District, New Taipei City	10 years	2.875%	3.875%
December 31, 2024	Kowloon, Hong Kong	10 years	5.750%	3.875%
December 31, 2023	Wugu District, New Taipei City	10 years	2.750%	3.750%

Note 1: For the discount rate, based on the consideration of the product type and risk factors of this case, the risk premium approach is used to determine the discount rate.

Note 2: The Income capitalization rate uses the investment return plus the risk premium of 1% of the real property value after 10 years.

<u>Year</u>	<u>Cash inflow item</u>	<u>Local rent status</u>	<u>Similar comparable subject property in the market</u>
December 31, 2024	Rental income (NT\$/ping/month)	Approximately NT\$706-NT\$804	Approximately NT\$735-NT\$829
December 31, 2024	Rental income (NT\$/square feet/month)	Approximately NT\$79.4-NT\$79.6	Approximately NT\$72.3-NT\$136.1
December 31, 2023	Rental income (NT\$/ping/month)	Approximately NT\$763-NT\$797	Approximately NT\$740-NT\$767

3. Please refer to Note 12(3) for information on investment property fair value.

4. Please refer to Note 8 for Information on the restricted assets that were pledged to others as collateral.

(X) Intangible assets

		<u>2024</u>			<u>Total</u>
		<u>Goodwill</u>	<u>Customer relations</u>	<u>Computer software</u>	
January 1					
Costs		\$ 129,108	\$ 75,630	\$ 61,028	\$ 265,766
Accumulated amortization and losses		-	(64,825)	(41,648)	(106,473)
		\$ 129,108	\$ 10,805	\$ 19,380	\$ 159,293
January 1		\$ 129,108	\$ 10,805	\$ 19,380	\$ 159,293
Addition-acquired independently		-	-	13,449	13,449
		-	-	(19)	(19)
Amortization expenses		-	(10,805)	(7,280)	(18,085)
Net exchange differences		-	-	1,582	1,582
December 31		129,108	\$ -	\$ 27,112	\$ 156,220
December 31		-			
Costs		\$ 129,108	\$ 75,630	\$ 78,259	\$ 282,997
Accumulated amortization and losses		-	(75,630)	(51,147)	(126,777)
		\$ 129,108	\$ -	\$ 27,112	\$ 156,220

		<u>2023</u>			<u>Total</u>
		<u>Goodwill</u>	<u>Customer relations</u>	<u>Computer software</u>	
January 1					
Costs		\$ 129,108	\$ 75,630	\$ 47,743	\$ 252,481
Accumulated amortization and losses		-	(54,021)	(36,315)	(90,336)
		\$ 129,108	\$ 21,609	\$ 11,428	\$ 162,145
January 1		\$ 129,108	\$ 21,609	\$ 11,428	\$ 162,145
Addition-acquired independently		-	-	13,019	13,019
Amortization expenses		-	(10,804)	(5,170)	(15,974)
Net exchange differences		-	-	103	103
December 31		129,108	\$ 10,805	\$ 19,380	\$ 159,293
December 31		-			
Costs		\$ 129,108	\$ 75,630	\$ 61,028	\$ 265,766
Accumulated amortization and losses		-	(64,825)	(41,648)	(106,473)
		\$ 129,108	\$ 10,805	\$ 19,380	\$ 159,293

1. Details of the intangible assets amortization were as follows:

	<u>2024</u>	<u>2023</u>
Operating costs	\$ 6,832	\$ 4,589
Selling expenses	10,820	10,813
Administrative expenses	433	536
Research and development expenses	-	36
	\$ 18,085	\$ 15,974

2. Goodwill is allocated to the Group's cash generating unit identified according to the operating segments:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
U.S.A.	\$ 129,108	\$ 129,108

3. Good will is allocated to the cash-generating unit identified by the Group, and the recoverable amount is evaluated according to the use value, which is estimated and calculated according to the five-year cash flow before tax.
4. The recoverable amount calculated by the Group according to the use value exceeded the carrying amount; therefore, there was no goodwill loss. The main assumption used for the calculation of the use value is as follows:

	<u>2024</u>	<u>U.S.A.</u> <u>2023</u>
Profit margin	20.00%	17.50%
Growth rate	5.00%	5.00%
Discount rate	19.47%	17.23%

The management determines the budgeted margin according to the past performance and the market development expectation. The weighted average growth rate used is determined based on the prediction of historical result and the future estimated operating scale of the cash generating unit. The discount rate used refers to the pre-tax rate and reflects the specific risk of relevant operating segments.

(XI) Bonds payable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Bonds payable	\$ 732,900	\$ 795,700
Less: Bonds payable discount	(9,931)	(24,119)
	\$ 722,969	\$ 771,581
Less: Current portion of Bonds payable	(722,969)	-
	-	\$ 771,581

1. The Company issued the sixth time of domestic unsecured convertible bonds (referred to as "domestic fifth convertible bonds) on October 31, 2022, with the issuance total amount of NT\$800,000, and issued at 106% of par value. The main issuance criteria are as follows:

- (1) Issuance period: 3 years, from October 31, 2022 to October 31, 2025 for maturity.
- (2) Coupon rate: fixed annual interest rate of 0%
- (3) Redemption method:

Unless the Company has redeemed early, repurchased and written off or the holders of the sixth convertible bonds has exercised the conversion right or put right, during

the maturity date of the sixth convertible bonds, the Company will redeem the sixth convertible bonds based on the par value of the sixth convertible bonds plus the earning rate of annual interest rate of 0.0%.

(4) Conversion period:

Except that the sixth convertible bonds have been redeemed or repurchased early, or the suspension of transfer period prescribed in the law and specified in the trust contract, up to the end of the next day when the issuance of the sixth convertible bonds has reached three full months, the holders of the sixth convertible bonds may request the Company to convert the sixth convertible bonds into common shares newly issued by the Company.

(5) Conversion price:

The conversion price of the sixth convertible bonds is 101.63% of the reference price, i.e. NT\$36.2. The reference price is determined based on the closing price of NT\$35.62 of the common shares price listed at TPEx on the business day three day average before the base date specified by the Company. Since the Company has distribution the cash dividends, and according to Article 11 of the Regulations for Issuance and Conversion of Bonds, the conversion price shall be adjusted, the conversion price is adjusted to NT\$33.1 from NT\$34.1 starting from July 15, 2024.

(6) Callable right:

Under the following conditions, the Company may redeem the sixth convertible bonds early:

- a. From the next day when the issuance has reached three full months to the date of 40 days before the maturity of the issuance period, if the closing price of the common shares of the Company in Taiwan continues to reach more than 30% of the conversion price at that time for thirty business days, the Company may redeem all of the fifth convertible bonds early based on the early redemption amount.
- b. From the next day when the issuance has reached three full months to the date of 40 days before the maturity of the issuance period, if the balance of the outstanding sixth convertible bonds is lower than 10% of the original total issuance amount, the Company may redeem all of the sixth convertible bonds early based on the early redemption amount.

(7) The Unconverted Bond payable balance were NT\$732,900 and \$795,700 for the years ended 2024 and 2023, respectively.

2. During the issuance of the convertible bonds of the Group, according to the regulations of IAS 32 "Financial Instruments: Presentation", the conversion right of equity nature is separated from the liability component, which is recognized under the "Capital surplus - subscription right" at an amount of NT\$65,027. In addition, with regard to the embedded callable right, according to IFRS 9 "Financial Instruments", since it is not closely related to the economic characteristic and risk of the debt instruments of the main contract, it is handled separately, and its net value is recognized under the "financial assets at fair value through profit or loss".
3. In 2024, the convertible bonds of the par value of NT\$32,400 and \$30,400 have been converted into common shares of 950,141 and 918,416 shares, and the conversion price is NT\$34.1 and NT\$33.1 per share.

(XII) Short-term borrowings

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Secured bank loans	\$ 468,434	\$ 224,523
Unsecured bank loans	564,211	488,855
	\$ 1,032,645	\$ 713,378
interest rate range	1.87%~4.80%	1.72%~7.90%

1. The interest expenses for the long and short term borrowings recognized for the years ended 2024 and 2023 were NT\$41,415 and NT\$47,443, respectively.
2. Please refer to Note 8 for details of the collaterals provided for the short-term borrowings of the Group.

(XIII) Long-term borrowings

Nature of borrowings	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Long-term bank loans		
Secured loan	\$ 92,218	\$ 78,183
Unsecured bank loans	60,899	43,000
Less: Current portion of long-term borrowings	(69,074)	(45,192)
	\$ 84,043	\$ 75,991
Interest rate range	2.1%~5.9%	1.953%~4.25%

1. The secured borrowing repayment period is from 2021 to 2042 with repayments in installments and the Unsecured borrowing repayment period is from 2023 to 2027 with repayments in installments.
2. The Company signed the credit extension contract with the Taipei Branch, Bangkok Bank of Thailand, which requested the financial report of the Company to satisfy the following key performance:
 - (1) The current ratio of the annual consolidated financial statements shall not be less than 100% during the duration of the credit extension contract, and the debt-to-net worth ratio shall not be greater than 250% during the duration of the credit extension contract.
 - (2) In case where the Company breaches the aforementioned commitment, the Bangkok Bank of Thailand will suspend the Company's application for new loans, and unless the consent of the Bangkok Bank of Thailand is obtained, no amount can be further drawn.
3. Detail of the loan credit not yet drawn by the Group is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Unused amount	\$ 366,507	\$ 354,663

4. Please refer to Note 8 for details of the collaterals provided for the long-term borrowings of the Group.

(XIV) Pension

- 1.(1) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service

years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contributions for the deficit by next March.

(2) Thai Wonderful Wire and Cable chooses to adopt the confirmed pension payment method according to the local law, and relevant pension expense is appropriated according to the expected unit payment method.

(3) The amounts recognized in the balance sheet are determined as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Present value of defined benefit obligation	\$ 109,629	\$ 103,240
Fair value of plan assets	(58,834)	(57,897)
Net defined benefit liability	\$ 50,795	\$ 45,343

(4) Movements in net defined benefit liabilities are as follows:

	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
2024			
Balance on January 1	(\$ 103,240)	\$ 57,897	(\$ 45,343)
Current service costs	(2,264)	-	(2,264)
Interest expense (income)	(1,756)	695	(1,061)
Service in last year	(5,939)	-	(5,939)
	(113,199)	58,592	(54,607)
Remeasurement:			
Return on plan assets (excluding amounts included in interest income or expense)	-	5,070	5,070
Changes in financial assumptions	1,657	-	1,657
Experience adjustments	(3,272)	-	(3,272)
	(1,615)	5,070	3,455

Pension fund	-	824	824
appropriated			
Pension paid	6,977	(5,653)	1,324
Translation differences	(1,791)	-	(1,791)
Balance on December 31	(\$ 109,628)	\$ 58,833	(\$ 50,795)

	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
2023			
Balance on January 1	(\$ 116,656)	\$ 54,741	(\$ 61,915)
Current service costs	(2,511)	-	(2,511)
Interest expense (income)	(1,700)	657	(1,043)
Service in last year	6,662	-	6,662
	(114,205)	55,398	(58,807)
Remeasurement:			
Return on plan assets (excluding amounts included in interest income or expense)	-	290	290
Changes in financial assumptions	2,025	-	2,025
Experience adjustments	6,076	-	6,076
	8,101	290	8,391
Pension fund	-	3,829	3,829
appropriated			
Pension paid	3,101	(1,620)	1,481
Translation differences	(237)	-	(237)
Balance on December 31	(\$ 103,240)	\$ 57,897	(\$ 45,343)

(5) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings are less than the aforementioned rates, the government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 Paragraph 142. The composition of fair value of plan assets as of December 31, 2024 and 2023 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(6) The principal actuarial assumptions used were as follows:

	<u>2024</u>	<u>2023</u>
Discount rate		
- the Company	1.6%	1.2%
- Thai Wonderful Wire and Cable	2.9%	2.9%
Future salary increase rate		
- the Company	3.5%	3.5%
- Thai Wonderful Wire and Cable	3.0%	3.0%

With regard to the assumption on the future mortality rate, the future mortality rate was estimated based on the Sixth and Fifth Standard Ordinary Experience Mortality Table. For Thai Wonderful Wire and Cable, estimation was made based on the statistical numbers announced locally and past experience.

Due to the change of the main actuarial assumption, the present value of defined benefit obligation is affected. The analysis was as follows:

	<u>Discount rate</u>		<u>Future salary increase rate</u>	
	<u>Increase by</u>	<u>Decrease by</u>	<u>Increase by</u>	<u>Decrease by</u>
	<u>1%</u>	<u>1%</u>	<u>1%</u>	<u>by 1%</u>
December 31, 2024				
Impact on present value of defined benefit obligation	(\$ 6,327)	\$ 6,939	\$ 6,333	(\$ 5,778)
December 31, 2023				
Impact on present value of defined benefit obligation	(\$ 3,079)	\$ 3,353	\$ 3,276	(\$ 3,042)

The sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. In practice, more than one assumption may change all at once.

The method of analyzing sensitivity and the method of calculating net pension

liability in the balance sheet are the same.

- (7) Expected contributions to the defined benefit pension plans of the Group for 2024 amounts to NT\$799.
 - (8) Up to December 31, 2023, the weighted average duration of the retirement plan of the Company is 6 years; the weighted average duration of the retirement plan of Thai Wonderful Wire and Cable is 12 years.
2. (1) Since July 1, 2005, the Company and Wonderful Photoelectricity have established their own pension regulations applicable to Taiwanese nationals in accordance with the Labor Pension Act. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in a lump sum upon the termination of employment.
 - (2) Wonderful Photo Electricity Dongguan, Elitech Technology and Wan Shih Hong Kong contribute a certain ratio of total amount of local employee salaries for the social insurance fund according to the social insurance system specified by the People's Republic of China (PRC). The pension for employees is managed independently by the government. Except for making a monthly contribution, the Group has no further obligation.
 - (3) ABA provides the Employee 401(K) Retirement Saving Plan, and the 401(K) plan adopts the confirmed appropriation system. During the employment period of employees, a certain ratio of the salary is appropriated to the personal pension account periodically according to the regulations.
 - (4) For the rest of overseas subsidiary, no retirement regulations and relevant policies have been established.
 - (5) The pension costs of the Group recognized according to the aforementioned pension regulations for the years ended 2024 and 2023 were NT\$27,229 and NT\$26,016 respectively.

(XV) Share-based payments

1. Up to September 30, 2024, the Group's share-based payment arrangements were as follows:

<u>Type of agreement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Vesting conditions</u>
Transfer of treasury stock to employees	March 13,2024	4,000,000	Immediately

The restricted stocks issued by the Company cannot be transferred during one year from May 1,2024.

Among the share-based payment arrangements above, are settled by equity.

2. The fair value of stock options granted on is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

<u>Type of agreement</u>	<u>Grant date</u>	<u>Stock Price(NT)</u>	<u>Exercise Price(NT)</u>	<u>Expected price volatility</u>	<u>Expected Option life</u>	<u>Expected dividends</u>	<u>Risk-free interest rate</u>	<u>Fair value per unit (NT)</u>
Transfer of treasury stock to employees	March 13, 2024	\$34.45	\$16.80	29.31%	0.277	\$ -	0.9743%	13.30

Note: Expected price volatility rate was estimated by using the stock prices of 1 year before grant date, and the standard deviation of return on the stock during this period.

3. Expenses incurred on share-based payment transactions are shown below:

2024

Equity delivery \$53,200

(XVI) Share capital

1. Up to December 31, 2024, the Company's authorized capital equal was NT\$3,000,000, paid-in capital equal was NT\$1,636,597, at par value of NT\$10 per share. All proceeds for share subscription of the Company were collected in full.

Adjustments in the number of the Company's ordinary shares outstanding (in thousand shares) are as follows:

	<u>2024</u>	<u>2023</u>
January 1	154,176	154,050
Conversion of convertible bonds	1,869	126
transfer of treasury shares	4,000	-
December 31	160,045	154,176

2. Treasury shares

(1) Reason of recovering shares and quantity change status (thousand shares):

<u>December 31, 2024</u>			
<u>Name of shareholding company</u>	<u>Reason of recovering shares</u>	<u>Number of shares</u>	<u>Carrying amount</u>
The Company	For transfer of shares to employees	3,614 thousand shares	\$ 61,008
<u>December 31, 2023</u>			
<u>Name of shareholding company</u>	<u>Reason of recovering shares</u>	<u>Number of shares</u>	<u>Carrying amount</u>
The Company	For transfer of shares to employees	7,614 thousand shares	\$ 128,532

(2) According to the regulations of Securities and Exchange Act, the buyback ratio of the outstanding shares of a company shall not exceed 10% of the issued shares of the company, and the total amount of the buyback shares must not exceed the retained earnings plus the premium of the issued shares and the realized capital reserve amount.

(3) The treasury shares held by the Company, in accordance with Securities and Exchange

- Act, shall not be pledged and shall not enjoy the shareholders' right before transfer.
- (4) According to the regulations of the Securities and Exchange Act, the shares bought back for transfer to employees shall be transferred within 5 years from the buyback date. If a transfer is not completed by such time limit, it shall be deemed that the Company has not issued such shares, and the registration of share cancellation must be made. In addition, for the shares bought back for the purpose of protecting the credit of the Company and the shareholders' equity, the registration of share cancellation must be made within 6 months from the buyback date.
- (5) In 2024, 4,000 thousand treasury shares were transferred to employees, and the stock payment was \$66,999. As of December 31, 2024, the rates, government number of treasury shares was 3,614 thousand shares.
4. The number of shares held by associates of the Company as of December 31, 2024 and 2023 were 4,200 thousand shares and 4,200 thousand shares respectively.

(XVII) Capital surplus

Under the Company Act, capital surplus arising from shares issued at premium or from donation may be used for offsetting deficit. Furthermore, if the Company has no accumulated loss, capital surplus may be used for issuing new shares or distributing cash in proportion to shareholders' original shareholding percentage. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. The Company may use capital surplus to offset loss only when the amount of reserves is insufficient to offset the loss.

	2024								
	Share premium	Treasury stock transactions	Employee restricted shares	Receiving gifts from shareholders	Corporate Bond Option	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interests in subsidiaries	Net change in equity of associates	Total
January 1	\$ 274,140	\$ 19,835	\$ -		\$64,677	\$ 11,990	\$ 4,345	\$13,893	\$388,880
Share-based payment transaction	-	-	53,200		-	-	-	-	53,200
Receiving gifts from shareholders				415					415
Share-Based Benefit Transactions	-	52,675	(53,200)		-	-	-	-	(525)
Conversion of convertible bonds	47,722	-	-		(5,104)	-	-	-	42,618
Recognition of change in equity of associates in portion to the Group's	-	-	-		-	-	-	18,871	10,450
December 31	\$ 321,862	\$ 19,835	\$ -		\$ 65,027	\$ 11,990	\$ 4,345	\$ 32,764	\$383,677

	<u>2023</u>						
	Share premium	Treasury stock transactions	Corporate Bond Option	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interests in subsidiaries	Net change in equity of associates	Total
January 1	\$ 270,947	\$ 19,835	\$ 65,027	\$ 10,511	\$ 4,345	\$ 13,012	\$383,677
Conversion of convertible bonds	3,193	-	(350)	-	-	-	2,843
The difference between the equity acquired in the subsidiary and the book value	-	-	-	1,479	-	-	1,479
Recognition of change in equity of associates in portion to the Group's	-	-	-	-	-	881	881
December 31	\$274,140	\$ 19,835	\$ 64,677	\$ 11,990	\$ 4,345	\$ 13,893	\$388,880

(XVIII) Retained earnings

1. According to the Articles of Incorporation of the Company, when the Company has a profit after the closing account of a fiscal year, amount shall be appropriated to pay tax and make up losses for the preceding years first, followed by setting aside a legal reserve of 10% thereof. For the remaining amount, in addition to the distribution of dividends, If there is still remaining surplus, the distribution of shareholders' dividends shall be determined according to the resolution of the shareholders' meeting.
2. According to the dividend policy of the Company, the factors of profit status, financial plan, future development of the Company and shareholders' interests are comprehensively considered, and the Board of Directors then establishes the dividend distribution proposal annually according to the law, and the distribution amount shall not be less than 50% of the earnings after tax of the current year, and at least 10% of the cash dividends is distributed among the dividends distributed for the current year.
3. Except for covering accumulated deficits or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of the legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
4. According to law, the Company may appropriate earnings only after it has provided special reserve under the debit balance of other equity on the balance sheet date. If subsequently the debit balance of other equity is reversed, the reversed amount may be used as appropriable earnings.
5. The 2022 earnings distribution proposal of the Company resolved by the shareholders' meeting on June 7, 2023 was as follows:

	<u>2022</u>	
	<u>Amount</u>	<u>Dividends Per Share (In Dollars)</u>
Statutory reserves	\$ 48,904	
Special reserves	(49,901)	
Cash dividends	308,102	\$ 2.00
	\$ 307,105	

6. The 2023 earnings distribution proposal of the Company resolved by the shareholders' meeting on June 12, 2024 was as follows:

	<u>Amount</u>	<u>2023</u> <u>Dividends Per</u> <u>Share (In Dollars)</u>
Statutory reserves	\$ 24,484	
Special reserves	23,508	
Cash dividends	185,013	\$ 1.20
	\$ 233,005	

7. The 2023 earnings distribution proposal of the Company submitted to the Board of Directors on March 12, 2025 for resolution was as follows:

	<u>Amount</u>	<u>2024</u> <u>Dividends Per</u> <u>Share (In Dollars)</u>
Statutory reserves	\$ 36,192	
Special reserves	(41,959)	
Cash dividends	320,091	\$ 2.00
	\$ 314,324	

The aforementioned 2024 earnings distribution proposal has not yet been resolved by the shareholder's meeting.

(XIX) Operating revenue

	<u>2024</u>	<u>2023</u>
Revenue from contracts with customers	\$ 8,138,914	\$ 6,518,035
<u>Details of revenue from contracts with customers</u>		

The Group's revenue derived from transfer of goods at a particular point of time are classified into the following categories:

	<u>2024</u>	<u>2023</u>
LAN cables	\$ 2,834,779	\$ 2,243,472
Electronic cables	2,010,531	1,707,052
Automotive wires	861,221	669,942
Paige cables	419,919	448,969
E Beam	386,603	375,316
Computer cables	131,947	118,651
Power cables	120,916	123,309
High temperature wires	22,308	24,860
Others	1,350,690	806,464
	\$ 8,138,914	\$ 6,518,035

(XX) Interest income

	<u>2024</u>	<u>2023</u>
Interest income from bank deposits	\$ 13,496	\$ 17,972
Other interest income	2,832	406
	\$ 16,328	\$ 18,378

(XXI) Other income

	<u>2024</u>	<u>2023</u>
Rental income	\$ 24,084	\$ 16,729
Dividend income	685	647
Other income — others	13,062	13,042
	\$ 37,831	\$ 30,418

(XXII) Other gains and losses

	<u>2024</u>	<u>2023</u>
Gain from disposals of investments	\$ 17,214	\$ 5,089
Gains on revaluation at fair value of investment property	1,925	-
Gains on disposal of property, plant and equipment	6,274	38,380
Loss on disposal of Intangible assets	(19)	-
Foreign exchange gain (loss)	68,775	30,552
Net gain on financial assets (liabilities) at fair value through profit or loss	(11,556)	(14,672)
Other losses	(1,300)	(247)
	\$ 81,313	\$ 59,102

(XXIII) Finance costs

	<u>2024</u>	<u>2023</u>
Interest expenses	\$ 41,575	\$ 47,683
Convertible bond	12,828	13,143
Other financial expenses	1,315	1,659
	\$ 55,718	\$ 62,485

(XXIV) Depreciation, amortization and employee benefit expenses

	<u>2024</u>	<u>2023</u>
Salary expense	\$ 664,330	\$ 602,918
Employee stock options	53,200	-
Labor and health insurance expense	30,073	31,274
Pension expense	36,493	22,908
Other personnel expense	58,763	54,424
Depreciation expenses	200,927	187,842
Amortization expenses	18,085	15,974

1. According to the Articles of Incorporation of the Company, when the Company has a profit for a fiscal year, 2% to 4% of the profit before tax and before the deduction of the distribution of remunerations of employees and directors shall be set aside as the remuneration of employees and no higher than 2% thereof shall be set aside as the remuneration of directors. However, when the Company has accumulated losses, amount shall be reserved for making up the accumulated losses first.
2. The estimated remunerations of employees and directors of the Company are as follows.

	<u>2024</u>	<u>2023</u>
Remuneration of directors	\$ 7,500	\$ 5,573
Remuneration of employees	15,000	11,146
	\$ 22,500	\$ 16,719

- (1) The remuneration of employees and the remuneration of directors for 2024 were estimated at 3.2% and 1.6%, respectively according to the profit status up to the current period.
- (2) For 2023, the employees' compensation and directors' and supervisors' remuneration resolved by the Board of Directors amounted to \$9,648 and NT\$4,824, respectively. The difference of \$2,247 between the amounts resolved by the Board of Directors and the amounts recognised in the 2022 financial statements, had been adjusted in the profit or loss of 2024.
- (3) The remuneration of employees and the 2024 remuneration of directors according to the resolution of the board of directors' meeting on March 12, 2025 were NT\$15,513 and NT\$7,757 respectively, and the remuneration of employees is to be distributed in the form of cash.
- (4) Relevant information on the remunerations of employees and directors of the Company as resolved by the board of directors is available at the Market Observation Post System" (MOPS) website for inquiries.

(XXV) Income tax

1. Income tax expense

(1) Income tax components:

	<u>2024</u>	<u>2023</u>
Current income tax:		
Tax attributable to taxable income of the period	\$ 152,311	\$ 98,308
Undistributed earnings tax	598	-
Underestimate of income tax of the previous year	16,501	(2,507)
Total current income tax	169,410	95,801
Deferred income tax:		
Deferred income tax on temporary differences originated and reversed	27,183	16,617
Income tax expense	\$ 196,593	\$ 112,418

(2) Income tax associates with other comprehensive income:

	<u>2024</u>	<u>2023</u>
Translation difference of foreign operations	(\$ 23,236)	\$ 4,380
Other comprehensive income of associates	(454)	329
Remeasurement of defined benefit obligation	(691)	(1,694)

2. Reconciliation between income tax expense and accounting profit

	<u>2024</u>	<u>2023</u>
Income tax of net profit before tax calculated at the statutory rate	\$ 173,736	\$ 114,156
Income tax effects of eliminated item according to tax law	5,750	1,326
Realizability evaluation change of deferred income tax assets	8	(557)
Underestimate of income tax of the previous year	16,501	(2,507)
Undistributed earnings tax	598	-
Income tax expense	\$ 196,593	\$ 112,418

3. Amounts of deferred income tax assets or liabilities as a result of temporary difference are as follows:

			<u>2024</u> <u>Recognized in</u> <u>other</u>	<u>Translation</u>	<u>December</u>
	<u>January 1</u>	<u>Recognized</u> <u>in P/L</u>	<u>comprehensive</u> <u>income</u>	<u>differences</u>	<u>31</u>
Deferred tax assets:					
Unrealized gains (losses)	\$ -	\$ 2,865	\$ -	\$ -	\$ 2,865
Unrealized exchange loss	2,937	(2,937)	-	-	-
Unrealized gain from sale	11,194	314	-	-	11,508
Inventory falling price reserves	1,650	653	-	-	2,303
Transfinite numbers of allowance for doubtful accounts	252	608	-	-	860
Employee welfare	5,291	1,869	-	-	7,160
Actuarial gains and losses	9,621	-	(691)	217	9,147
Foreign operation exchange difference	7,452	-	(7,452)	-	-
Others	4,241	229	-	-	4,470
	\$ 42,638	\$ 3,601	(\$ 8,143)	\$ 217	\$ 38,313
Deferred income tax liabilities:					
Unrealized gains (losses)	(268)	268	-	-	-
Unrealized gains (losses) from sale of assets	(18,826)	(5,135)	-	-	(23,961)
Share of profits or losses of associates using the equity method	(158,309)	(30,985)	-	-	(189,294)
Appreciation of investment property	(10,247)	-	-	-	(10,247)
Unrealized exchange loss	-	(2,748)	-	-	(2,748)
Intangible assets	(3,297)	3,297	-	-	-
Accrued pension liabilities	(6,452)	(9)	-	-	(6,461)
Foreign operation exchange difference	-	-	(16,238)	-	(16,238)
Others	(5,931)	4,528	-	-	(1,403)
	(\$203,330)	(\$ 30,784)	(\$ 16,238)	\$ -	(\$250,352)

			<u>2023</u> <u>Recognized in</u> <u>other</u> <u>comprehensive</u> <u>income</u>	<u>Translation</u> <u>differences</u>	<u>December</u> <u>31</u>
	<u>January 1</u>	<u>Recognized</u> <u>in P/L</u>			
Deferred tax assets:					
Unrealized exchange loss	\$ 969	\$ 1,968	\$ -	\$ -	\$ 2,937
Unrealized gain from sale	8,883	2,311	-	-	11,194
Inventory falling price reserves	1,596	54	-	-	1,650
Transfinite numbers of allowance for doubtful accounts	489	(237)	-	-	252
Employee welfare	6,154	(863)	-	-	5,291
Actuarial gains and losses	11,610	-	(1,694)	(295)	9,621
Foreign operation exchange difference	2,743	-	4,709	-	7,452
Others	3,154	1,087	-	-	4,241
	\$35,598	\$ 4,320	\$ 3,015	(\$295)	\$42,638
Deferred income tax liabilities:					
Unrealized gains (losses)	(169)	(99)	-	-	(268)
Unrealized gains (losses) from sale of assets	(17,884)	(942)	-	-	(18,826)
Share of profits or losses of associates using the equity method	(134,896)	(23,413)	-	-	(158,309)
Appreciation of investment property	(10,247)	-	-	-	(10,247)
Intangible assets	(6,594)	3,297	-	-	(3,297)
Accrued pension liabilities	(5,956)	(496)	-	-	(6,452)
Others	(6,647)	716	-	-	(5,931)
	(\$182,393)	(\$20,937)	\$ -	\$ -	(\$203,330)

4. Amounts of deductible temporary differences unrecognized as deferred tax liabilities:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Deductible temporary differences	\$ 73,316	\$ 71,476

5. The Company's profit-seeking income tax has been approved by the taxation authority through 2022.

(XXVI) Earnings per share

		<u>2024</u> <u>Weighted average</u> <u>number of</u> <u>ordinary shares</u> <u>outstanding</u> <u>(shares in</u> <u>thousands)</u>	<u>Earnings</u> <u>per share</u> <u>(NT\$)</u>
	<u>Post-tax</u> <u>amount</u>		
<u>Basic earnings per share</u>			
Net profit attributable to owners of the parent company	\$ 358,077	157,191	\$ 2.28
<u>Diluted earnings per share</u>			
Net profit attributable to owners of the parent company	\$ 358,077	157,191	
Dilutive effects of the potential common shares			
Remuneration of employees	-	442	
Convertible bonds	10,125	21,493	
Effects of net profit attributable to owners of the parent company and potential common shares	\$ 368,202	179,126	\$ 2.06

		<u>2023</u> <u>Weighted average</u> <u>number of</u> <u>ordinary shares</u> <u>outstanding</u> <u>(shares in</u> <u>thousands)</u>	<u>Earnings</u> <u>per share</u> <u>(NT\$)</u>
	<u>Post-tax amount</u>		
<u>Basic earnings per share</u>			
Net profit attributable to owners of the parent company	\$ 224,416	154,105	\$ 1.46
<u>Diluted earnings per share</u>			
Net profit attributable to owners of the parent company	\$ 224,416	154,105	
Dilutive effects of the potential common shares			
Remuneration of employees	-	483	
Convertible bonds	16,438	21,981	
Effects of net profit attributable to owners of the parent company and potential common shares	\$ 240,854	176,569	\$ 1.36

Note: Because of convertible bonds have an anti-dilution effect, so they are not included in the assessment

(XXVII) Non-controlling interests

1. Additional interests from acquisition of subsidiary

On August 17, 2023 and February 1, 2023, the Group purchased an additional 5.86% and 0.40% of the issued shares of Lord Hero International for NT\$38,889 and NT\$2,841 in cash. The carrying amount of the non-controlling interests of Lord Hero International on the acquisition date was NT\$174,773 and NT\$173,357. The transaction reduced the non-controlling interests by \$40,396 and \$2,690 and the equity attributable to the owners of

the parent company increase by \$1,507 and decreased by \$151. The impact of changes in Lord Hero International's equity on the owner's equity attributable to the parent company from January 1 to December 31, 2023 is as follows:

	<u>2023</u>
Carrying amount of non-controlling interests acquired	\$ 50,654
Consideration paid for non-controlling interests	(49,175)
Other equity	-
Capital surplus - Difference between actual price of subsidiary equity acquired or disposed and the carrying value	\$ 1,479

2. Subsidiary capital increase

The Group's Thai subsidiary, Thai Wonderful Wire and Cable, issued new shares through a cash capital increase on March 25, 2024. The Group subscribed for 73.5% of its shareholding ratio, and the remaining 26.5% of the capital increase was subscribed by non-controlling interests. Therefore, the Group's interest in Thai Wonderful Wire and Cable equity remains unchanged, and the transaction increases non-controlling equity by NT\$32,830.

(XXVIII) Additional Information on Cash Flows

	<u>2024</u>	<u>2023</u>
Acquisition of property, plant, and equipment and investment property	\$ 178,493	\$ 126,707
Add: Opening balance of payable on equipment	2,329	5,076
Prepayments for business facilities at end of period	21,993	16,451
Less: Prepayments for business facilities at beginning of period	(16,451)	(10,293)
Ending balance of payable on equipment	(3,275)	(2,329)
Cash paid in the period	\$ 183,089	\$ 135,612

(XXIX) Changes in liabilities arising from financing activities

	<u>2024</u>				<u>Total</u>
	<u>Short-term</u>	<u>Long-term</u>	<u>Lease</u>	<u>Bonds</u>	<u>liabilities</u>
	<u>borrowings</u>	<u>borrowings</u>	<u>liabilities</u>	<u>payable</u>	<u>from</u>
		<u>(including</u>			<u>financing</u>
		<u>portion</u>			<u>activities</u>
		<u>matured in</u>			
		<u>one year or</u>			
		<u>one</u>			
		<u>cycle)</u>			
January 1	\$ 718,378	\$121,183	\$108,042	\$771,581	\$1,714,184
Changes in cash flow from financing activities	319,267	31,934	(38,270)	-	312,931
Other non-monetary changes	-	-	7,583	(48,612)	(41,029)
December 31	\$ 1,032,645	\$153,117	\$77,355	\$722,969	\$1,986,086

	<u>2023</u>				
	<u>Short-term borrowings</u>	<u>Long-term borrowings (including portion matured in one year or one operating cycle)</u>	<u>Lease liabilities</u>	<u>Bonds payable</u>	<u>Total liabilities from financing activities</u>
January 1	\$1,078,476	\$121,396	\$135,159	\$762,578	\$2,097,609
Changes in cash flow from financing activities	(365,098)	(213)	(36,525)	-	(401,836)
Other non-monetary changes	-	-	9,408	9,003	18,411
December 31	\$713,378	\$121,183	\$108,042	\$771,581	\$1,714,184

VII. Related-Party Transactions

(I) Name and Relationship of Related Party

<u>Related party name</u>	<u>Relationship with the Group</u>
Wanshih Electronic Co., Ltd. (Wanshih Electronic)	Associate
Dongguan Humen Wanshih Electronics Co., Ltd. (Dongguan Humen)	"
Suzhou Wanshih Optical Communication Co., Ltd. (Suzhou Wanshih)	"
HONG YI CABLE CO., LTD.(HONG YI)	"
Wan Shih (Hong Kong) Co., Ltd. (Wan Shih Hong Kong)	"
Inga Nano Technology Co., Ltd. (Inga Nano Technology)	"
Vietnam Wanshih Optical Communication Co., Ltd. (Vietnam Wanshih)	"
Alpha Treasure Investments Limited	"
Shanghai Elitech Technology Co., Ltd. (Elitech Technology)	Associate (Note)
Ming-Lieh Chang	Key management
Wonderful Wire Cable Co., Ltd. (Wonderful Wire Cable)	Other related parties
JBC LLC	"
Sheng-Yi Tsai	"
Chang Min Twei	"

Note: The Group lost control over Elitech Technology in the third quarter of 2024 but still retains significant influence. Therefore, starting from the third quarter of 2024, Elitech Technology is classified as an associate of the Group.

(II) Significant Transactions with Related Party

1. Operating revenue

	<u>2024</u>	<u>2023</u>
Sale of goods:		
— Associates	\$ 108,396	\$ 58,558
— Key management	82	141
— Other related parties	1	11
	\$ 108,479	\$ 58,710

There were no relevant transactions for the sales price of the Group to the aforementioned

related parties, and the transaction terms were determined based on the negotiation of both parties. The payment receipt period of the Group from the related parties was 90~145 days, and the payment receipt period for non-related parties was 3~120 days.

2. Purchase

	<u>2024</u>	<u>2023</u>
Purchase of goods:		
— Associates	\$ 44,144	\$ 31,050
Return of goods:		
— Associates	\$ -	(\$ 11,276)

There were no relevant transactions for the purchase price of the Group from the aforementioned related parties, and the transaction terms were determined based on the negotiation of both parties. The payment period of the Group from the related parties was 90~105 days, and the payment period for non-related parties was 30~105 days.

3. Receivables from related parties

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts receivable:		
— Associates	\$ 25,599	\$ 14,070
Less: Allowance for loss	(3)	(1)
	\$ 25,596	\$ 14,069

4. Payables to related parties:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts receivable:		
— Associates	\$ 11,725	\$ 24,463

5. Other receivables from and payables to related parties

(1) Other receivables from related parties

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Other receivables:		
— Associates	\$ 120	\$ 176
Less: Allowance for loss	(60)	(60)
	\$ 60	\$ 116

(2) Other payables to related parties

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Other receivables:		
— Associates	\$ 232	\$ 33

6. Borrowings from related parties

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Other payables:		
— Ming-Lieh Chang	\$ 5,308	\$ 12,000

	<u>2024</u>	<u>2023</u>
Interest expenses:		
— Ming-Lieh Chang	\$ 160	\$ 240

The terms of borrowings from Ming-Lieh Chang was repayment on the due day, and 2024 interest was collected at the annual interest rate of 2% and interest was paid on the due day.

7. Rental income

The Group lease the following assets to the related parties, and the details are as follows:

<u>Leasing party</u>	<u>Subject property</u>	<u>Lease term</u>	<u>Rental income</u>	
			<u>2024</u>	<u>2023</u>
Associate - Wanshih Electronic	Office at 3F to 5F of Wugu District, New Taipei City	January 1, 2023 to December 31, 2027	\$ 8,363	\$ 8,268

The Group leases office to related parties, and rent is determined according to the general rent standard of the location of the lease property and the area of use, and the rent is collected on a monthly basis.

8. Lease transactions - lessee

(1) The Group leases office from related parties, and rent is determined according to the general rent standard of the location of the lease property and the area of use, and the rent is paid on a monthly basis.

(2) Acquisition of right-of-use assets

The Group signed the lease contract with JBC LLC in 2021, for a lease period of 5 years, and the monthly rent of approximately NT\$1,936. When the contract was signed, it was stated that the rent could be adjusted due to fluctuations in the consumer price index, so the monthly rent has increased to approximately \$2,493 since 2024.

(3) Lease liabilities

A. Ending balance

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Lease liabilities- current:		
— other related party - JBC LLC	\$ 34,458	\$ 30,507
Lease liabilities - non-current:		
— other related party - JBC LLC	\$ 28,896	\$ 57,165

B. Interest expenses

	<u>2024</u>	<u>2023</u>
Other related party - JBC LLC	\$ 989	\$ 1,246

9. Other income

The incomes for providing information processing service and other support services to the associate - Wanshih Electronic in 2024 and 2023 both were NT\$1,291 respectively.

10. Property Transaction

(1) Disposed of investments

The Group disposed of the following properties to related parties, with details as follows:

Related party name	Account	shares	Item	January 1 to December 31, 2024	
				Price	Disposal loss
Inga Technology	Nano Investment accounted for under the equity method	-	Equity of Elitech Technology	-	(\$ 1,626)

(2) Acquisition of investments by equity method

		<u>December 31, 2023</u>		
	Accounts	No. of shares	Objects	Consideration
Sheng-Yi Tsai	Non-controlling interests	923	Le Hao International	30,601
Chang Min Twei	Non-controlling interests	478	Le Hao International	15,733
				46,334

(III) Information on Remuneration to Key Management

	<u>2024</u>	<u>2023</u>
Salaries and short-term employee benefits	\$ 39,523	\$ 24,468
Post-retirement benefits	890	867
Share-based payments	5,081	-
	\$ 45,494	\$ 25,355

VIII. Pledged Assets

The Group's assets pledged as collateral are as follows:

<u>Asset item</u>	<u>Carrying value</u>		<u>Purpose of collateral</u>
	<u>December 31, 2024</u>	<u>December 31, 2023</u>	
Other financial assets - current	\$ -	\$ 8,000	Loan security
Investment accounted for under the equity method	52,123	46,180	"
Property, plant and equipment	989,732	938,873	"
Investment property	161,480	158,319	"
	\$ 1,203,335	\$ 1,151,372	

IX. Significant Contingent Liabilities and Unrecognized Commitments

(I) Contingencies

None.

(II) Commitments

1. Please refer to Note 6(13).

2. Capital expenditures committed but not yet incurred:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Property, plant and equipment	\$ 83,954	\$ 137,399
X. <u>Losses Due to Major Disasters</u>		

None.

XI. Significant Subsequent Events

Please refer to Note 6(18) and (24) for details.

XII. Others

(I) Capital Management

The purposes of the Group's capital management are to ensure that the Group continues as a going concern, to maintain an optimal capital structure to lower financing costs, and to provide returns of investment to shareholders. To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return share capital to shareholders, issue new shares or sell assets in order to adjust to reach the most suitable capital structure.

(II) Financial Instrument

1. Categories of financial instruments

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets compulsorily measured at fair value through profit or loss	\$ 3,114	\$ 4,260
Financial assets at fair value through other comprehensive income (FVOCI)		
Investment in equity instruments of which the fair value is designated to be recognized in other comprehensive income at amortized cost	64,769	65,878
Cash and cash equivalents	838,373	718,389
Financial assets at amortised cost - current	163,838	-
Notes receivable	70,882	79,321
Accounts receivable	1,768,958	1,195,226
Accounts receivable - related party	25,596	14,069
Other receivables	132,621	76,735
Other receivables - related Party	60	116

Other financial assets - current	-	56,379
Refundable deposits (record in	11,499	12,870
Other non-current assets – others)		
	\$ 3,079,710	\$ 2,223,243
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial Liabilities</u>		
Financial liabilities measured at fair value through profit or loss	\$ 6,042	\$ -
Financial liabilities at amortized cost		
Short-term borrowings	1,032,645	713,378
Accounts payable	556,914	365,463
Accounts payables to related parties	11,725	24,463
Other payables	275,576	230,344
Other accounts payable - related party	5,540	12,033
Bonds payable	722,969	771,581
Long-term borrowings	153,117	121,183
	\$ 2,764,528	\$ 2,238,445
Lease liabilities - current	\$ 40,569	\$ 37,538
Lease liabilities - non-current	36,786	70,504
	\$ 77,355	\$ 108,042

2. Risk Management Policy

- (1) The Group's daily operations are affected by various financial risks, including market risk (including exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk. The Group's risk management policy focuses on unpredictable market events in order to minimize their potentially adverse impacts on the Group's financial position and financial performance. The Group uses various derivative financial instruments to hedge specific risk exposure. Please refer to Note 6(2) for details.
- (2) The risk management of the Group is executed by the financial department according to the policies approved by the board of directors. The financial department of the Group cooperates with all operating units of the Group closely in order to be responsible for the identification, assessment and hedging of financial risks. The board of directors provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

3. Nature and Degree of Significant Financial Risks

(1) Market risk

Exchange rate risk

- A. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and THB. Foreign

exchange risk arises from future commercial transactions and recognized assets and liabilities.

- B. The Group's management has formulated a relevant policy to require entities within the Group to manage the foreign exchange risks associated with their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the financial department of the Group. The measurement of exchange rate risk is based on the expected transactions that are very likely to generate USD and RMB expenses, and to use forward exchange contracts in order to reduce the impacts of exchange rate fluctuation on the expected transactions.
- C. The Group used forward exchange transactions to hedge the exchange rate risk; however, the hedge accounting was not applied. Please refer to Notes 6(2) for information on recognition of financial assets or liabilities at fair value through profit or loss.
- D. The Group's businesses involve some non-functional currency operations such that they can be affected by the exchange rate fluctuation. The information on assets and liabilities denominated in foreign currencies whose values are materially affected by the exchange rate fluctuations is as follows:

					<u>December 31, 2024</u>	
(Foreign currency)	currency:	functional	<u>Foreign</u>		<u>Exchange</u>	<u>Carrying</u>
			<u>currency</u>	<u>amount (In</u>	<u>rate</u>	<u>amount in</u>
			<u>Thousands)</u>			<u>NTD</u>
						<u>(thousand)</u>
<u>Financial assets</u>						
<u>Monetary items</u>						
	USD : NTD		\$ 21,673	32.785	\$	710,549
	USD : THB		2,850	34.069		93,437
	USD : VND		10,087	25,251		330,702
	USD : HKD		4,485	7.765		147,041
<u>Non-monetary items</u>						
	USD : NTD		733	32.785		25,546
<u>Financial Liabilities</u>						
<u>Monetary items</u>						
	USD : NTD		3,542	32.785		140,058
	USD : THB		1,090	34.069		51,800
	USD : VND		686	25,251		70,947
	USD : HKD		91	7.765		4,819

					<u>December 31, 2023</u>	
(Foreign currency)	currency:	functional	<u>Foreign</u>		<u>Exchange</u>	<u>Carrying</u>
			<u>currency</u>	<u>amount (In</u>	<u>rate</u>	<u>amount in</u>
			<u>Thousands)</u>			<u>NTD</u>
						<u>(thousand)</u>
<u>Financial assets</u>						
<u>Monetary items</u>						
	USD : NTD		\$ 16,509	30.705	\$	506,909

USD : THB	1,389	34.052	42,649
USD : VND	6,988	24,408	214,567
USD : HKD	8,663	7.815	265,997
<u>Non-monetary items</u>			
USD : NTD	733	30.705	22,510
<u>Financial Liabilities</u>			
<u>Monetary items</u>			
USD : NTD	3,542	30.705	108,757
USD : THB	1,090	34.052	33,468
USD : VND	686	24,408	21,064
USD : HKD	91	7.815	2,794

E. The total exchange gain (loss) (including realized and unrealized) arising from significant foreign exchange variation on the monetary items held by the Group for the years ended 2024 and 2023, amounted to profit of NT\$68,775 and NT\$30,552 respectively.

F. Foreign exchange risks arising from significant exchange rate changes that the Group is exposed to are as follows:

				<u>2024</u>	
				<u>Sensitivity Analysis</u>	
				<u>Effect on</u>	
				<u>other</u>	
				<u>comprehen</u>	
				<u>ve income</u>	
<u>(Foreign</u>	<u>currency:</u>	<u>functional</u>		<u>Effects on</u>	
<u>currency)</u>			<u>Fluctuation</u>	<u>P/L</u>	
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : NTD			1%	\$ 7,105	-
USD : THB			1%	934	-
USD : VND			1%	3,307	-
USD : HKD			1%	1,470	-
<u>Financial Liabilities</u>					
<u>Monetary items</u>					
USD : NTD			1%	1,401	-
USD : THB			1%	518	-
USD : VND			1%	709	-
USD : HKD			1%	48	-

				<u>2023</u>	
				<u>Sensitivity Analysis</u>	
				<u>Effect on</u>	
				<u>other</u>	
				<u>comprehen</u>	
				<u>ve income</u>	
<u>(Foreign</u>	<u>currency:</u>	<u>functional</u>		<u>Effects on</u>	
<u>currency)</u>			<u>Fluctuation</u>	<u>P/L</u>	
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : NTD			1%	\$ 5,069	-
USD : THB			1%	426	-

USD : VND	1%	2,146	-
USD : HKD	1%	2,660	-
<u>Financial Liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	1,088	-
USD : THB	1%	335	-
USD : VND	1%	211	-
USD : HKD	1%	28	-

Price risk

- A. The Group is exposed to equity securities price risk due to the financial assets and available-for-sale financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income held and accrued by the Group. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- B. The Group mainly invests in equity instruments issued by a domestic or foreign company. The price of such equity instruments can be affected by changes in future value of their investment targets. If the prices of these equity instruments had increased/decreased by 1% with all other variables held constant, the profit or loss of the equity instruments measured at fair value through profit or loss for the net income after tax of 2024 and 2023 would have increased or decreased by NT\$21 and NT\$19 respectively; and for other comprehensive income of 2024 and 2023 classified as the equity instrument measured at fair value through comprehensive income, the profit or loss would have increased or decreased by NT\$648 and NT\$659 respectively.

Cash flow and fair value interest rate risk

- A. The borrowing interest rate risk of the Group mainly came from the short-term borrowings. Due to the borrowings at floating interest rate, the Group borne the cash flow interest rate risk, and a portion of the risk was being offset by the cash and cash equivalents held. The borrowing according to the fixed interest rate caused the Group to be under the fair value interest rate risk.
- B. The borrowing of the Group was measured at amortized cost, and re-pricing was performed according to the annual interest rate specified in the contract. Therefore, the Group is exposed to the risk of future market interest rate change.
- C. When the borrowing interest rate increases or decreases by 1%, with other variables remain constant, the net income after tax for 2024 and 2023 will also decrease or increase by NT\$11,858 and NT\$8,346, respectively, which is mainly due to changes in interest expense caused by borrowings bearing a floating interest rate.

(2) Credit risk

- A. The Group's credit risk refers to the risk of financial loss to the Group arising from default by the clients or transaction counterparties of financial instruments on the contract obligations. Such risk is mainly due to the counterparties cannot repay the accounts payable according to the payment terms, and it is classified as the contract cash flow of debt instrument at amortized cost.
- B. The Group establishes a framework for managing credit risks from a group's

perspective. As the internal credit approval policy stipulates, an operating entity within the Group shall manage and analyze the credit risk of a new client before proposing terms and conditions pertaining to payments and delivery of goods. Internal risk control is achieved by evaluating a client's credit quality against the client's financial position, credit records, and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board of directors. The utilization of credit limits is regularly monitored.

- C. The Group adopts IFRS 9 to provide preliminary assumption, and when the payment specified according to the contract term has exceeded 90 days, a breach of contract is deemed to have occurred.
- D. The Group adopts IFRS 9 to provide the following preliminary assumption, in order to use it as the basis for determining whether the credit risk of financial instruments has increased significantly since the original recognition:
If the contract payments are past due over 30 days based on the terms, it is deemed that there has been a significant increase in credit risk on that instrument since initial recognition.
- E. The Group classifies accounts receivable due from clients according to the characteristics of trading credit risk, and adopts the simplified approach that measures expected credit losses based on the preparation matrix.
- F. (A) The expected loss rate of customers of the related party group was 0.02%, and the accounts receivable - related party total carrying value and allowance for loss as of December 31, 2024 and 2023 were NT\$25,599 and NT\$3; NT\$14,070 and NT\$1 respectively.
- (B) The Group, according to the past experience, adopted the individual evaluation to calculate the expected credit loss for customers of relatively higher credit risk. The total carrying amount and allowance for loss as of December 31, 2024 and 2023 were NT\$0、NT\$0、NT\$4,185 and NT\$4,185.
- (C) By including the forward-looking consideration on the global economic information, the Group adjusts the expected credit loss rate that was established based on historical or present information, so as to estimate the preparation matrices of the loss allowance for the accounts and notes receivable as follows:

	<u>Not overdue</u>	<u>Overdue within 30 days</u>	<u>Overdue 30 days</u>	<u>Overdue 60 days</u>	<u>Overdue 90 days</u>	<u>Total</u>
<u>December 31, 2024</u>						
Expected loss (%)	0.03%-1.00%	0.03%~13.97%	0.04%~41.28%	1.98%~70.81%	100%	
Total carrying amount	<u>\$ 1,784,583</u>	<u>\$ 49,152</u>	<u>\$ 5,019</u>	<u>\$ 4,463</u>	<u>\$ 32,663</u>	<u>\$ 1,875,880</u>
Allowance for loss	<u>\$ 823</u>	<u>\$ 945</u>	<u>\$ 258</u>	<u>\$ 1,351</u>	<u>\$ 32,663</u>	<u>\$ 36,040</u>
	<u>Not overdue</u>	<u>Overdue within 30 days</u>	<u>Overdue 30 days</u>	<u>Overdue 60 days</u>	<u>Overdue 90 days</u>	<u>Total</u>
<u>December 31, 2023</u>						
Expected loss (%)	0.02%-1.28%	0.5%~16.69%	6.64%~46.80%	24.81%~77.96%	100%	
Total carrying amount	<u>\$ 1,219,467</u>	<u>\$ 49,582</u>	<u>\$ 3,457</u>	<u>\$ 10,503</u>	<u>\$ 22,329</u>	<u>\$ 1,305,338</u>
Allowance for loss	<u>\$ 3,369</u>	<u>\$ 1,105</u>	<u>\$ 603</u>	<u>\$ 3,385</u>	<u>\$ 22,329</u>	<u>\$ 30,791</u>

- G. The loss allowance change table for accounts and notes receivable (including related party) of the Group is as follows:

	<u>2024</u>
January 1	\$ 34,977
Impairment losses recognized	6,463
Loss of control over a subsidiary	(1,638)
Unrecoverable and written off amount	(4,339)
Exchange rate effects	580
December 31	\$ 36,043

	<u>2023</u>
January 1	\$ 45,952
Impairment losses recognized	(10,814)
Unrecoverable and written off amount	(12)
Exchange rate effects	(149)
December 31	\$ 34,977

The impairment loss recognized for accounts receivable from customer contracts for 2024 and 2023 were NT\$6,463 and NT(\$10,814) respectively.

(3) Liquidity risk

- A. Cash flows forecast is done by each operating entity; the Financial Department of the Group is responsible only for summarizing the results. The financial department of the Group monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- B. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date for non-derivative financial liabilities. Derivative financial liabilities were analyzed based on the balance sheet date to the retaining period at the expected maturity date. The table below disclosed the contractual cash flows not discounted.

December 31, 2024

<u>Non-derivative financial liabilities:</u>	<u>Within 1 year</u>	<u>Over 1 year</u>
Short-term borrowings	\$ 1,032,645	\$ -
Accounts payable (including related party)	568,639	-
Other payables (including related party)	281,116	-
Lease liabilities	40,871	38,330
Bonds payable	732,900	-
Long-term borrowings (including portion matured in one year or one operating cycle)	69,074	84,043
<u>Derivative financial liabilities:</u>	<u>Within 1 year</u>	<u>Over 1 year</u>
Forward exchange	\$ 3,069	-
Forward commodity	2,973	-

December 31, 2023

<u>Non-derivative financial liabilities:</u>	<u>Within 1 year</u>	<u>Over 1 year</u>
Short-term borrowings	\$ 713,378	\$ -
Accounts payable (including related party)	389,926	-
Other payables (including related party)	242,377	-
Lease liabilities	38,579	72,221
Bonds payable	-	795,700

Long-term borrowings (including portion matured in one year or one operating cycle)	45,192	75,991
--	--------	--------

(III) Fair Value Information

1. Below are the definitions assigned to each level of valuation technique used to measure the fair value of financial and non-financial assets.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed shares is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in most of the derivatives is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The Group's investments in equity instrument investment of non-active market and investment properties are included in Level 3.

2. Financial instruments not measured at fair values

Except for the ones listed in the table below, including cash and cash equivalents, notes receivable, accounts receivable, other accounts receivable, other financial assets, long/short-term borrowings, notes payable, accounts payable and other accounts payable, their book values are approximate to the reasonably close values of fair values:

		<u>December 31, 2024</u> <u>to fair</u>		
	<u>Carrying amount</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial liabilities:				
Bonds payable	\$ 722,969	\$ -	\$ 721,084	\$ -

		<u>December 31, 2023</u> <u>to fair</u>		
	<u>Carrying amount</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial liabilities:				
Bonds payable	\$ 771,581	\$ -	\$ 770,148	\$ -

3. Financial and non-financial assets at fair value are classified by nature, characteristic, risk, and fair value level, stated as follows:

- (1) The Group classifies its assets and liabilities by their function; stated as follows:

December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				

Financial assets at fair value through profit or loss				
Equity instruments	\$ 2,120	\$ -	\$ -	\$ 2,120
Investment in bonds	994	-	-	994
Financial assets at fair value through other comprehensive income (FVOCI)				
Equity instruments	-	-	64,769	64,769
Investment property	-	-	252,675	252,675
	\$ 3,114	\$ -	\$ 317,444	\$ 320,558
December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Liability				
<u>Recurring fair value</u>				
Financial liability at fair value through profit or loss				
Forward exchange	\$ -	\$ 3,069	\$ -	\$ 3,069
Forward commodity	-	2,973	-	2,973
	\$ -	\$ 6,042	\$ -	\$ 6,042
December 31, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Equity instruments	\$ 1,919	\$ -	\$ -	\$ 1,919
Forward exchange	-	1,340	-	1,340
Forward commodity	1,001	-	-	1,001
Financial assets at fair value through other comprehensive income (FVOCI)				
Equity instruments			65,878	65,878
Investment property	-	-	158,319	158,319
	\$ 2,920	\$ 1,340	\$ 224,197	\$ 228,457

(2) The techniques and assumptions used by the Group to measure fair value are stated as follows:

- A. For the equity-based securities that the Group used the market quoted price as the fair value (i.e. level 1 inputs), the market quoted price refers to the closing price on the balance sheet date.
- B. Except for financial instruments with an active market, the fair value of other financial instruments is obtained either based on the valuation technique or by

reference to the quotes from counter-parties. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date (such as the reference yield curve of TPEX, Reuters commercial paper interest rate average price).

- C. When assessing non-standard and low-complexity financial instruments, such as forward exchange and forward commodity, the Group adopts the valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
 - D. For high-complexity financial instruments, the Group measures the fair value by using self-developed valuation model based on the valuation method and technique widely used within the same industry. Such type of valuation model is normally applied to derivative financial instruments, embedded derivative debt instruments or securitized commodities. Certain inputs used in such type of valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions. For the impacts of non-market observable parameters on financial instrument valuation, please refer to Notes 12(3)-8 for details.
 - E. The valuation of derivative financial Instrument is based on the valuation model widely used and accepted by users in the market, such as discount method and option pricing model. Forward exchange agreement is typically evaluated based on the current forward exchange rate.
 - F. The fair value valuation technique for investment property at fair value adopted by the Group complies with the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the fair value is determined according to the valuation result of independent expert. Please refer to Note 6(9) for details.
 - G. Outputs from the valuation models are estimates and valuation techniques may not be able to reflect all relevant factors of the financial and non-financial instruments held by the Group. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments in the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
4. For 2024 and 2023, there was no transfer between Level 1 and Level 2.
 5. The following table shows the change of Level 3 for 2024 and 2023:

	<u>2024</u>			
	<u>Equity</u>	<u>Convertible bond</u>	<u>Investment</u>	<u>Total</u>
	<u>instruments</u>	<u>redemption/buyback</u>	<u>property</u>	
		<u>right</u>		
January 1	\$ 65,878	\$ -	\$ 158,319	\$ 224,197
Gains or losses recognized in other comprehensive income	(7,669)	-	85,235	77,566
Gain recognized in profit or loss	-	137	1,925	2,062
Purchase in current period	4,675	-	4,314	8,989
Conversion in current period	-	(137)	-	(137)
Exchange rate effects	1,885	-	2,882	4,767
December 31	\$ 64,769	\$ -	\$ 252,675	\$ 317,444

	<u>2023</u>			
	<u>Equity</u>	<u>Convertible bond</u>	<u>Investment</u>	<u>Total</u>
	<u>instruments</u>	<u>redemption/buyback</u>	<u>property</u>	
		<u>right</u>		
January 1	\$ 64,921	\$ 5,960	\$ 158,319	\$ 229,200
Gains or losses recognized in other comprehensive income	723	-	-	723
Gain recognized in profit or loss	-	(5,923)	-	(5,923)
Conversion in current period	-	(37)	-	(37)
Exchange rate effects	234	-	-	234
December 31	\$ 65,878	\$ -	\$ 158,319	\$ 224,197

6. For 2024 and 2023, there was no transfer into or out of Level 3.
7. For the investment property of the Group, it is assumed that the Group has retained an external appraiser to perform appraisal according to the valuation method and parameter announced by the FSC. The financial department establishes the financial instrument and investment property fair value valuation policy, and valuation procedure and verifies compliance with the requirements of relevant International Financial Reporting Standards.
8. The significant non-observable input value quantified information and significant non-observable input value change sensitivity analysis for the valuation model used in

relation to the Level 3 fair value measurements are as follows:

	<u>December 31, 2024 to fair</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Interval (weighted average)</u>	<u>Relationship between inputs and fair value</u>
Investment property- Wu Gu	\$ 161,480	Cash flow discount method	Discount rate	2.875%	The higher the discount rate, the lower the fair value
Investment property-Hong Kong	91,195	Cash flow discount method	Discount rate	5.750%	The higher the discount rate, the lower the fair value
Non-derivative equity instruments-stocks not listed in the stock exchange or the OTC market	-	Cash flow discount method	Discount rate	5.180%	The higher the discount rate, the lower the fair value
Non-derivative equity instruments-stocks not listed in the stock exchange or the OTC market	22,902	Public company comparables	Enterprise value to operating revenue ratio	0.4169~ 0.8626	The higher the value multiples, the higher the fair value
Non-derivative equity instruments-stocks not listed in the stock exchange or the OTC market	16,648	Public company comparables	Price-book ratio (PBR)	0.7478~ 0.5195	The higher the value multiples, the higher the fair value
Non-derivative equity instruments-stocks not listed in the stock exchange or the OTC market	25,219	Public company comparables	Price-book ratio (PBR)	1.2201~ 2.6496	The higher the value multiples, the higher the fair value
Convertible bond redemption right	-	Least-squares Monte Carlo simulation approach	Volatility	34.530%	The higher the volatility, the higher the fair value
	<u>December 31, 2023 to fair</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Interval (weighted average)</u>	<u>Relationship between inputs and fair value</u>
Investment property	\$ 158,319	Cash flow discount method	Discount rate	2.750%	The higher the discount rate, the lower the fair value
Non-derivative equity instruments-stocks not listed in the stock exchange or the OTC market	-	Cash flow discount method	Discount rate	5.180%	The higher the discount rate, the lower the fair value

Non-derivative equity instruments-stocks not listed in the stock exchange or the OTC market	19,964	Public company comparables	Enterprise value to operating revenue ratio	0.3833~1.0347	The higher the value multiples, the higher the fair value
Non-derivative equity instruments-stocks not listed in the stock exchange or the OTC market	28,066	Public company comparables	Price-book ratio (PBR)	1.0125~1.6825	The higher the value multiples, the higher the fair value
Non-derivative equity instruments-stocks not listed in the stock exchange or the OTC market	17,848	Public company comparables	Price-book ratio (PBR)	1.9891~3.0916	The higher the value multiples, the higher the fair value
Convertible bond redemption right	-	Least-squares Monte Carlo simulation approach	Volatility	29.210%	The higher the volatility, the higher the fair value

XIII. Other Disclosures

(I) Information on Significant Transactions

1. Loaning funds to others: Please refer to Table 1.
2. Provision of endorsements and guarantees: Please refer to Table 2.
3. Marketable securities held at the end of the period (excluding investment in subsidiaries, affiliated companies, and the control portion in a joint venture): Please refer to Table 3.
4. Accumulative purchase or disposal of the same marketable securities reaching NT\$300 million or 20% of paid-in capital or more: None.
5. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
6. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
7. Transaction with related party reaching NT\$100 million or 20% of paid-in capital or more: Please refer to Table 4.
8. Receivables due from related party reaching NT\$100 million or 20% of paid-in capital or more: Please refer to Table 5.
9. Trading in derivative instruments: Please refer to Note 6(2) for details.
10. Business relationship, significant transactions, and significant transaction amount between parent and subsidiaries, or among subsidiaries: Please refer to Table 6.

(II) Information on Investees

Name and location of investees (excluding those in Mainland China): Please refer to Table 7.

(III) Information on Investment in Mainland China

1. Basic information: Please refer to Table 8.
2. Significant transactions with investees in Mainland China that are invested by the Group

directly or Indirectly through another third region entity: Please refer to Table 6.

(IV) Information on Major Shareholders

Major shareholder information: Please refer to Table 9.

XIV. Operating Segment Information

(I) General Information

The Group management has determined the operating segments based on the reports reviewed by the operating decision maker that are used to make strategic decisions. The operating decision maker of the Group operates business according to the region and performs the sale of various types of wires and cables as the main source of income. Taiwan, China, and Hong Kong, Thailand are the main regions for the manufacturing and sales activities of the Group. The Group provides the individual operation result indicated in the consolidated statements to the operating decision maker for review and approval, in order to evaluate the performance of the segment.

(II) Segment Information

The Company and subsidiaries report the net income or loss before tax of each region to the main operating decision maker, and the income and expenses indicated in the income statement adopts consistent measurement method. In addition, the performance of each operating segment is evaluated according to the net income and loss before tax. The Company and subsidiaries have not provided the amounts of the total assets and total liabilities to the operating decision maker to make operational decisions.

The relevant regional financial information of the Group for 2024 and 2023 is as follows:

		<u>2024</u>						
		<u>Taiwan</u>	<u>China and Hong Kong</u>	<u>Thailand</u>	<u>Vietnam</u>	<u>U.S.A.</u>	<u>Adjustment and write-off</u>	<u>Total</u>
Revenue from external customers		\$ 2,441,848	\$ 1,032,167	\$ 2,172,385	\$ 1,447,428	\$1,045,086	\$ -	\$ 8,138,914
Inter-segment transactions		894,608	112,889	95,934	786,386	3,279	(1,893,096)	-
Segment revenue		\$ 3,336,456	\$ 1,145,056	\$ 2,268,319	\$ 2,233,814	\$1,048,365	(\$ 1,893,096)	\$ 8,138,914
Net income before tax of segment		\$ 527,936	(\$ 45,073)	\$ 124,043	\$ 233,410	\$ 62,702	(\$ 321,830)	\$ 581,188

		<u>2023</u>						
		<u>Taiwan</u>	<u>China and Hong Kong</u>	<u>Thailand</u>	<u>Vietnam</u>	<u>U.S.A.</u>	<u>Adjustment and write-off</u>	<u>Total</u>
Revenue from external customers		\$ 2,184,445	\$ 603,750	\$ 1,781,461	\$ 1,039,988	\$908,391	\$ -	\$ 6,518,035
Inter-segment transactions		778,232	337,680	440,983	348,976	-	(1,905,871)	-
Segment revenue		\$ 2,962,677	\$ 941,430	\$ 2,222,444	\$ 1,388,964	\$908,391	(\$ 1,905,871)	\$ 6,518,035
Net income before tax of segment		\$ 303,127	\$ 14,947	\$ 140,449	\$ 150,431	(\$ 8,048)	(\$221,455)	\$ 379,451

(III) Reconciliation of Segment Profit or Loss

Since the operating decision maker evaluates the segment performance and determines the allocation of resources based on the segment revenue and segment net operating income or loss, adjustment of the profit or loss of the segment is not required.

(IV) Reportable Reconciliation of Segment Profit or Loss

The Company reports the net income or loss after tax of each region to the operating decision maker, and the income and expenses indicated in the statement of comprehensive income adopt a consistent measurement method. The Company has not provided the amounts of the total assets and total liabilities to the operating decision maker to make operational decisions. Since there is no difference between the statements provided to the operating decision maker to make segment operational decisions and the segment income statement, adjustment is not required.

XV. Information on Product and Labor Type

Please refer to Note 6(19) for details.

XVI. Information by regions

The information by regions of the Group for 2024 and 2023 is as follows:

	<u>2024</u>		<u>2023</u>	
	<u>Revenue</u>	<u>Non-current assets</u>	<u>Revenue</u>	<u>Non-current assets</u>
U.S.A.	\$ 2,790,113	\$ 194,723	\$ 2,256,467	\$ 231,119
Thailand	2,193,009	525,601	1,857,497	470,654
Vietnam	1,445,861	365,701	997,349	296,792
China and Hong Kong	822,491	264,702	524,656	186,181
Taiwan	548,172	449,660	510,527	464,871
Others	339,268	-	371,539	-
Total	\$ 8,138,914	\$ 1,800,387	\$ 6,518,035	\$ 1,649,617

XVII. Information on major customers

There is no one single customer with consolidated sales revenue exceeding 10% and more.

Wonderful Hi-Tech Co., Ltd. and Subsidiaries
Loaning funds to others
January 1 to December 31, 2024

Table 1

Unit: NT\$ thousand
(unless otherwise specified)

No. (Note 1)	Lending company	Borrower (Note 9)	Current items (Note 2)	Whether related	Current maximum amount (Note 3)	Ending balance (Note 8)	Actually paid	Interest rate range	Loan nature (Note 4)	Current amount (Note 5)	Reason for short-term financing (Note 6)	Allowance for loss	Security		Loan limit for specific borrower (Note 7)	Total loan limit (Note 7)	Remarks
													Name	Value			
0	Wonderful Hi-Tech Co., Ltd.	Thai Wonderful Wire Cable Co.,	Financing funds	Yes	65,670	-	-	4.0%	2	-	Working capital	-	-	-	100,000	490,979	
0	Wonderful Hi-Tech Co., Ltd.	Thai Wonderful Wire Cable Co.,	Financing funds	Yes	65,670	65,670	-	4.0%	2	-	Working capital	-	Promissory note	US\$2,000	100,000	490,979	
0	Wonderful Hi-Tech Co., Ltd.	Shanghai Elitech Technology Co.,	Financing funds	Yes	14,222	13,292	13,292	N/A	2	-	Working capital	-	-	-	100,000	490,979	
1	Wonderful Photoelectricity	Shanghai Elitech Technology Co.,	Financing funds	Yes	31,517	3,238	3,238	N/A	2	-	Working capital	-	-	-	26,353	58,205	
2	Lord Hero HongKong	Thai Wonderful Wire Cable Co., Ltd.	Financing funds receivable	Yes	49,253	-	-	4.0%	2	-	Working capital	-	Promissory note	US\$1,500	50,664	52,439	

Note 1: Instruction for the number column is as follows:

(1) Fill in 0 for the issuer.

(2) The investees are numbered in order starting from number 1.

Note 2: Accounts receivable from related companies, receivable from related parties, shareholder current account, advance payments, temporary payments... or any other items of loan nature must be filled in this field.

Note 3: The maximum balance of funds lent in the current year.

Note 4: The loan nature shall be specified as business payment or short-term financing.

(1) For business payment, please fill in 1.

(2) For short-term financing, please fill in 2.

Note 5: If the loan is a business payment, the amount should be filled in. The amount of business payment refers to the amount of the business transaction between the lending company and the borrower in the recent one year.

Note 6: If the loan is a short-term financing, the reason for the loan and use by the borrower shall be specified, such as repayment of loans, purchase of equipment, business turnover... etc..

Note 7: (1) For companies or firms that do business with Wonderful Hi-Tech Co., Ltd., the total loan amount shall not exceed 30% of the lower of the paid-up capital and net value of Wonderful Hi-Tech Co., Ltd., with individual loan amount not exceeding the amount of business transactions between the two parties in the recent one year, and shall not exceed NT\$100 million based on risk considerations.

For companies or firms that need short-term financing, the total loan amount shall not exceed 30% of the lower of the paid-up capital and net value of Wonderful Hi-Tech Co., Ltd., with the individual loan amount not exceeding NT\$60 million.

(2) The total amount of loan lent by Wonderful Photoelectricity (Dongguan) Co., Ltd. shall not exceed 20% of the net value of Wonderful Photoelectricity (Dongguan) Co., Ltd., with the individual loan amount not exceeding HK\$5 million.

(3) The total amount of loan lent by Thai Wonderful Wire Cable Co., Ltd. shall not exceed 20% of the lower of the paid-up capital and net value of Thai Wonderful Wire Cable Co., Ltd., with the individual loan amount not exceeding

THB 25 million. The "Maximum balance accumulated to the end of this month" and "Ending balance" of the loan lent by Thai Wonderful Wire Cable Co., Ltd. to Vietnam Wonderful Wire Cable Co., Ltd. are greater than the

"Loan limit for specific borrower" due to the exchange rate difference.

Note 8: If the public offering company proposes the loan to the board of directors one by one in accordance with paragraph 1 of Article 14 of the Standards for the Treatment of Capital Loan and Endorsement Guarantee of Public Offering Company,

Note 9: The Group lost control over Shanghai Elitech Technology Co., Ltd. on August 31, 2024. Therefore, the above information pertains to transactions during the period when control was held.

Wonderful Hi-Tech Co., Ltd. and Subsidiaries

Provision of Endorsements and Guarantees

January 1 to December 31, 2024

Table 2

Unit: NT\$ thousand
(unless otherwise specified)

No.	Endorsement and	The endorsed or guaranteed	endorsement	maximum	of	endorsement	accumulated	Maximum limit of	and	and	t and		
(Note 1)	guarantee provider	Relations	for a single	balance of	endorsement	Actually paid	and	endorsement and	guarantee	guarantee	guarantee	guarantee	
	Company name	(Note 2)	enterprise	and guarantee	(Note 5)	(Note 6)	secured by	guarantee to the	(Note 3)	provided by the parent	provided by a subsidiary	provided to the	Remarks
1	Thai Wonderful Wire Cable Co., Ltd.	Vietnam Wonderful Wire Cable Co., Ltd.	2	129,414	39,402	39,342	19,539	-	3.04%	517,656	N	N	N
1	Thai Wonderful Wire Cable Co., Ltd.	Vietnam Wonderful Wire Cable Co., Ltd.	2	129,414	19,701	19,671	19,671	-	1.52%	517,656	N	N	N
1	Thai Wonderful Wire Cable Co., Ltd.	Vietnam Wonderful Wire Cable Co., Ltd.	2	129,414	59,103	59,013	32,803	-	4.57%	517,656	N	N	N
2	Lord Hero HongKong	Wonderful Photoelectricity	4	73,719	64,080	-	-	-	8.69%	294,877	N	N	Y
2	Lord Hero HongKong	Wonderful Photoelectricity	4	73,719	66,945	66,945	26,778	-	9.08%	294,877	N	N	N
2	Lord Hero HongKong	Wonderful Photoelectricity	4	73,719	66,945	66,945	-	-	9.08%	294,877	N	N	N

Note 1: Instruction for the number column is as follows:

(1) Fill in 0 for the issuer.

(2) The investees are numbered in order starting from Arabic digit 1.

Note 2: There are 7 types of relationship between the endorser and the endorsed as follows, fill in the code:

(1) A company having business dealings with the Company.

(2) A company in which the Company directly or indirectly holds more than 50% of shares with voting rights.

(3) A company that directly or indirectly holds more than 50% of shares with voting rights of the Company.

(4) Between companies where the Company directly or indirectly holds more than 90% of shares with voting rights.

(5) Companies of the same trade or joint manufactures that are mutually endorsed for the needs of the contracted works.

(6) A company endorsed and guaranteed by all the contributing shareholders in accordance with their shareholding ratio due to the joint investment relationship.

(7) Joint and several performance guarantee of the same trade for pre-sale house sales contracts in accordance with the consumer protection law.

Note 3: (1) The total amount of external endorsement and guarantee provided by Wonderful Hi-Tech Co., Ltd. shall not exceed 40% of the current net value of Wonderful Hi-Tech Co., Ltd., and the limit of endorsement and guarantee for a single

The net value shall be subject to the most recent financial statement audited or reviewed by an accountant.

(2) The total amount of external endorsement and guarantee provided by Thai Wonderful Wire Cable Co., Ltd. shall not exceed 40% of the current net value of Thai Wonderful Wire Cable Co., Ltd., and the limit of endorsement and guarantee for a

The net value shall be subject to the most recent financial statement audited or reviewed by an accountant.

For those provided with endorsement and guarantee due to business relationship with Thai Wonderful Wire Cable Co., Ltd., in addition to the foregoing limit, the amount of individual endorsement or guarantee shall not exceed the amount of

(3) The total amount of external endorsement and guarantee provided by Lord Hero HongKong shall not exceed 40% of the current net value of Lord Hero HongKong, and the limit of endorsement and guarantee for a single enterprise shall not exceed 20% of the current net value of Thai Wonderful Wire Cable Co., Ltd. if it is a subsidiary that Lord Hero HongKong directly holds more than 90% of the equity of common shares, and 10% for others.

Note 4: The maximum balance of endorsement and guarantee provided for others in the current year.

Note 5: The amount approved by the board of directors shall be disclosed. However, if the board of directors authorizes the Chairman to determined the amount in accordance with paragraph 8 of Article 12 of the Standards for the Treatment of

Note 6: The actual amount used by the endorsed or guaranteed within the balance of the endorsement and guarantee amount.

Note 7: Fill in Y for endorsement and guarantee provided by the listed parent company to a subsidiary, or provided by a subsidiary to the parent company, or provided to the mainland China.

Wonderful Hi-Tech Co., Ltd. and Subsidiaries

Marketable Securities Held at the End of the Period (Excluding Investment in Subsidiaries, Affiliated Companies, and the Control Portion in a Joint Venture)

January 1 to December 31, 2024

Table 3

Unit: NT\$ thousand
(unless otherwise specified)

Holding company	Type and name of marketable securities (Note 1)	Relationship with the marketable securities issuer (Note 2)	Account	Ending				Remarks (Note 4)
				Number of shares (in thousands)	Carrying amount (Note 3)	Shareholdin g percentage	Fair value	
Wonderful Hi-Tech Co., Ltd.	Sanitar Co., Ltd.	-	Financial assets measured at fair the consideration through profit or loss - current	51.00	\$ 2,101	-	\$ 2,101	-
	NT Pharma Group Co., Ltd. (Hong Kong Stock)	-	Financial assets measured at fair the consideration through profit or loss - current	17.00	19	-	19	-
	TSMC 2023-2 unsecured bond		Financial assets measured at fair the consideration through profit or loss - uncurrent	10.00	994	-	994	
	Asahi Malaysia Co., Ltd.	-	Financial assets at fair the consideration through other	1,900.00	22,902	9.40	22,902	-
	M-Mobility Co. Ltd.	-	Financial assets at fair the consideration through other	0.67	-	4.53	-	-
	Sunpower Energy Technology Co., Ltd.	-	Financial assets at fair the consideration through other	774.28	25,219	2.43	25,219	-
Thai Wonderful Wire Cable Co., Ltd.	Focuz Manufacturing Company Ltd.	-	Financial assets at fair the consideration through other comprehensive income - non-current	58.82	16,648	4.69	16,648	-

Note 1: The "marketable securities" in this table refer to stocks, bonds, beneficiary certificates and securities derived from the above items falling within IFRS No. 9 "Financial Instruments".

Note 2: If the issuer of marketable securities is not a related party, this column can be left blank.

Note 3: If measured at fair value, please fill in the book balance after the adjustment of fair value evaluation and deducting the accumulated impairment in the carrying amount column; if it is not measured at fair value, please fill in the book balance of original acquisition cost or amortized cost minus accumulated impairment in the carrying amount column.

Note 4: If the marketable securities are subject to restricted use due to the provision of guarantee, pledge loan or others agreed upon, the number of shares guaranteed or pledged, the amount of guarantee or pledge and the restricted use be indicated in the remarks column.

Wonderful Hi-Tech Co., Ltd. and Subsidiaries
Transaction with related party reaching NT\$100 million or 20% of paid-in capital or more.
January 1 to December 31, 2024

Table 4

Unit: NT\$ thousand
(unless otherwise specified)

			Transaction		why the terms of transaction are different from those of ordinary		Bills receivable (payable), accounts		Ratio to total bills receivable (payable) and accounts		Remarks (Note 2)
Involved company	Name of Counterparty	Relationship	Transaction	Amount	Ratio to total transaction	Period of credit granting	Unit price	Period of credit granting	Balance		
Wonderful Hi-Tech Co., Ltd.	ABA Industry Inc.	Subsidiary	Sales	\$ (744,748)	24%	90 days	\$ -	-	\$ 311,673	34%	None
Wonderful Hi-Tech Co., Ltd.	Vietnam Wonderful Wire Cable Co., Ltd.	Subsidiary	Purchase	747,482	30%	90 days	-	-	(177,341)	40%	None

Note 1: If the related party transaction conditions are different from the general transaction conditions, the situation and reasons for the difference shall be stated in the field of unit price and credit granting period.

Note 2: If any payment is received (paid) in advance, the reasons, terms agreed, amount and the difference from the general transaction type shall be stated in the remarks column.

Note 3: The sale and purchase between Wonderful Hi-Tech Co., Ltd. and its subsidiaries is equivalent to the purchase and sale between the subsidiaries and Wonderful Hi-Tech Co., Ltd., so the relative transactions will not be disclosed separately.

Wonderful Hi-Tech Co., Ltd. and Subsidiaries
Receivables due from related party reaching NT\$100 million or 20% of paid-in capital or more.
January 1 to December 31, 2024

Table 5

Unit: NT\$ thousand
(unless otherwise specified)

Company disclosing receivables	Name of Counterparty	Relationship	Balance of receivables due from related parties	Turnover rate	Overdue Receivables due from related parties		Amount recovered after the payment	Allowance for loss
					Amount	Accounting treatment		
Wonderful Hi-Tech Co., Ltd.	ABA Industry Inc.	Subsidiary	\$ 311,673	2.45	\$ 5,097	Strengthen collection	\$ 38,810	\$ -
Vietnam Wonderful Wire Cable Co., Ltd.	Wonderful Hi-Tech Co., Ltd.	parent	177,341	5.22	-		53,715	-

Note 1: Please fill in separately according to the accounts receivable, bills, other receivables... etc.

Note 2: Paid-in capital refers to the paid-in capital of the parent company. If the issuer's shares have no par value or the par value of each share is not NT\$10, the transaction amount requirement of 20% of the paid-in capital shall be calculated at 10% of the equity attributable to the owner of the parent company in the balance sheet.

Note 3: The post-payment period ends on February 27, 2025

Wonderful Hi-Tech Co., Ltd. and Subsidiaries

Business relationship, significant transactions, and significant transaction amount between parent and subsidiaries, or among subsidiaries.

January 1 to December 31, 2024

Table 6

Unit: NT\$ thousand
(unless otherwise specified)

No. (Note 1)	Name of trader	Counterparty	Relationship with the trader (Note 2)	Transaction circumstance			Ratio to total consolidated revenue or total assets (Note 3)
				Item	Amount	Conditions	
0	Wonderful Hi-Tech Co., Ltd.	Vietnam Wonderful Wire Cable Co., Ltd.	1	Purchase	747,481	Note 4	9%
0	Wonderful Hi-Tech Co., Ltd.	Lord hero Co., Ltd.	1	Purchase	94,311	Note 4	1%
0	Wonderful Hi-Tech Co., Ltd.	ABA Industry Inc.	1	Sales revenue	744,748	Note 4	9%
0	Wonderful Hi-Tech Co., Ltd.	Wonderful Cabling Systems Corporation	1	Sales revenue	81,879	Note 4	1%
0	Wonderful Hi-Tech Co., Ltd.	ABA Industry Inc.	1	Accounts receivable	311,673	Note 4	5%
0	Wonderful Hi-Tech Co., Ltd.	Vietnam Wonderful Wire Cable Co., Ltd.	1	Accounts payable	177,341	Note 4	3%
1	Lord hero Co., Ltd.	Wonderful Photoelectricity (Dongguan) Co. Ltd.	3	Purchase	103,592	Note 4	1%

Note 1: The business transaction information between the parent company and its subsidiaries shall be indicated in the number column respectively, details are as follows:

(1) Fill in 0 for the parent company.

(2) The subsidiaries are numbered in order starting from number 1.

Note 2: There are 3 types of relationship with counterparties as follows, fill in the code:

(1) The parent company to a subsidiary.

(2) A subsidiary to the parent company.

(3) Among subsidiaries.

Note 3: The ratio of transaction amount to total consolidated revenue or total assets shall be calculated by the ending balance as a percentage of the consolidated total assets for assets and liabilities items; for profit and loss items, it shall be calculated by the cumulative amount as a percentage of the consolidated total revenue.

Note 4: In accordance with the general sales method.

Note 5: Individual transaction with an amount less than 1% of the consolidated total revenue and consolidated total assets will not be disclosed.

Wonderful Hi-Tech Co., Ltd. and Subsidiaries
Name and location of investees (excluding those in Mainland China).
January 1 to December 31, 2024

Table 7

Unit: NT\$ thousand
(unless otherwise specified)

Name of investor	Name of investee (Note 1, Note 2)	Location	Main business items	Original investment amount		Shareholding at the end of the period		Carrying amount	Current gain and loss of the investee (Note 2(2))	Investment gains and losses recognized in the current period (Note 2(3) and 3)		Remarks
				At the end of the period	At the end of last year	Number of shares	Ratio					
Wonderful Hi-Tech Co., Ltd.	Wonderful Holding (Cayman) Co., Ltd.	Cayman Islands	Holding company of investment	\$ 363,273	\$ 272,219	12,256,479	100.00	\$ 1,113,447	\$ 100,708	\$ 100,708		Subsidiary of the Company.
Wonderful Hi-Tech Co., Ltd.	Wanshih Electronic Co., Ltd.	Taiwan	Assembly of distribution lines	266,889	280,180	16,667,272	20.55	242,373	17,555		4,321	The investee evaluated by the equity method.
Wonderful Hi-Tech Co., Ltd.	Lord hero International Co., Ltd.	British Virgin Islands	Holding company of investment	461,167	461,167	16,326	81.63	600,811	(53,942)		44,033	Subsidiary of the Company.
Wonderful Hi-Tech Co., Ltd.	Yi-Tai Technology Co., Ltd.	Hong Kong	Holding company of investment	83,120	83,120	21,377,348	100.00	-	2,670		2,670	Subsidiary of the Company.
Wonderful Hi-Tech Co., Ltd.	Wonderful Cabling Systems Corporation	Taiwan	Sales of wires and cables	12,800	12,800	2,000,000	80.00	72,098	28,946		23,005	Subsidiary of the Company.
Wonderful Hi-Tech Co., Ltd.	Vietnam Wonderful Wire Cable Co., Ltd.	Vietnam	Sales and manufacturing of wires and cables	217,101	217,101	-	50.00	455,321	176,847		88,424	Subsidiary of the Company.
Wonderful Hi-Tech Co., Ltd.	Wan Shih (Hong Kong) Co., Ltd.	Hong Kong	Assembly of distribution lines	28,541	28,541	3,067,500	17.04	20,279	3,868		659	The investee evaluated using the equity method.
Wonderful Hi-Tech Co., Ltd.	HONG YI CABLE CO., LTD.	Taiwan	Sales and manufacturing of wires and cables	12,000	-	1,200,000	40.00	11,992	(19)		8)	The investee evaluated using the equity method.
Wonderful Hi-Tech Co., Ltd.	Inga Nano Technology Co., Ltd.	Taiwan	Other Textile Products Manufacturing	42,725	34,325	3,010,000	28.00	30,295	(12,089)		7,358	The investee evaluated using the equity method.
Wonderful Hi-Tech Co., Ltd.	ABA Industry Inc.	U.S.A.	Sales of wires and cables	171,766	171,766	92,000	56.10	213,181	46,769		22,026	Subsidiary of the Company.
Wonderful Hi-Tech Co., Ltd.	ACTife Hi-Tech Co., Ltd.	Taiwan	Sales of non-woven fabric processing products	68,000	68,000	2,000,000	100.00	(7,123)	12,459		12,407	Subsidiary of the Company.
Wonderful Hi-Tech Co., Ltd.	LOHAS International Trading Company	Taiwan	Sales of non-woven fabric processing products	1,000	1,000	100,000	100.00	665	(7)		7)	Subsidiary of the Company.
Wonderful Hi-Tech Co., Ltd.	Wht International LLC.	U.S.A.	Real estate leasing	648	-	-	100.00	618	(36)		36)	Subsidiary of the Company.
Wonderful Hi-Tech Co., Ltd.	Alpha Treasure Investments Limited	Republic of Seychelles	Holding company of investment	15,105	10,123	507,500	35.00	5,267	(8,556)		3,116	The investee evaluated using the equity method.
Wonderful Holding (Cayman) Co., Ltd.	Wonderful International (Cayman) Co., Ltd.	Cayman Islands	Holding company of investment	363,273	272,219	12,256,479	100.00	1,113,447	100,708		Note 3	Sub-subsidiary of the Company.
Wonderful International (Cayman) Co., Ltd.	ABA Industry Inc.	U.S.A.	Sales of wires and cables	20,909	20,909	72,000	43.90	163,157	46,769		Note 3	Subsidiary of the Company.
Wonderful International (Cayman) Co., Ltd.	Wonderful Holding (Thailand) Co., Ltd.	Thailand	Holding company of investment	47	47	490	100.00	352,084	31,213		Note 3	Sub-subsidiary of the Company.
Wonderful International (Cayman) Co., Ltd.	Thai Wonderful Wire Cable Co., Ltd.	Thailand	Sales and manufacturing of wires and cables	215,407	124,353	992,892	46.30	599,186	115,616		Note 3	Great-subsidiary of the Company.
Wonderful Holding (Thailand) Co., Ltd.	Thai Wonderful Wire Cable Co., Ltd.	Thailand	Sales and manufacturing of wires and cables	103,781	103,781	583,372	27.20	352,006	115,616		Note 3	Great-subsidiary of the Company.
Thai Wonderful Wire Cable Co., Ltd.	Vietnam Wonderful Wire Cable Co., Ltd.	Vietnam	Sales and manufacturing of wires and cables	226,415	226,415	-	50.00	460,895	176,847		Note 3	Subsidiary of the Company.
Lord hero International Co., Ltd.	Lord hero Co., Ltd.	Hong Kong	Sales of wires and cables	245,513	245,513	41,401,000	100.00	655,320	(53,942)		Note 3	Sub-subsidiary of the Company.

Note 1: If the public offering company has a foreign holding company and the consolidated financial report is the main financial report according to the local law, the disclosure of information about the foreign investee may be disclosed only to the information about the holding company.

Note 2: For persons other than those mentioned in Note 1, fill in the following:

(1) The columns of "the investee's name", "location", "main business items", "original investment amount" and "ending shareholding situation" shall be filled out in accordance with the reinvestment situation of the (publicly issued) company and the reinvestment of the investee directly or indirectly under control. Indicate in the remarks column the relationship between each investee and the (public offering) company (if it is a subsidiary or a great -subsidiary).

(2) The "current profit and loss of investees" shall be fill in the amount of current profit and loss of each investee.

(3) The column "investment profit and loss recognized in the current period" is only required to fill in the profit and loss of the subsidiaries recognized by the (public offering) company for direct reinvestment and that of the investee evaluated by the equity acquisition method. The rest is not required. Fill in "The balance of loss of each subsidiary directly reinvested in the current period shall still be the loan limit approved by the board of directors. Although the funds may be repaid later, considering the loan may be granted again, the amount approved by the board of directors

Note 3: The investment profit and loss listed in the current period only discloses the part recognized by Wonderful Hi-Tech Co., Ltd., and the rest is exempted from completion according to regulations.

Wonderful Hi-Tech Co., Ltd. and Subsidiaries
Information on investments in Mainland China - Basic Information
January 1 to December 31, 2024

Table 8

Unit: NT\$ thousand
(unless otherwise specified)

Name of investee in Mainland	Main business items	Paid-in capital	Form of investment (Note 1)	Accumulated investment remitted from Taiwan at the beginning of the period	Investment remitted or recovered in the current period		Accumulated investment remitted from Taiwan at the end of the period	Current gain and loss of the investee	The Company's shareholding in direct or indirect investment	Recognize investment gains and losses in the current period (Note 2)	Carrying amount of investment at the end of the period	Repatriated investment income as of the current period	Remarks
					Remitted	Recovered							
Suzhou Wanshih Optical Communication Co., Ltd.	Assembly of distribution lines	\$ 520,584	1	\$ 11,380	\$ -	\$ -	\$ 11,380	\$ 64,479	2.56%	\$ -	\$ -	\$ 5,008	Note 3
Siyang Wanshih Electronic Element Co., Ltd.	Assembly of distribution lines	367,939	2	16,099	-	-	16,099	-	-	-	-	-	Note 4
Shanghai Elitech Technology Co., Ltd.	Computer software development, manufacturing and sales of own products and surveillance equipment	83,081	2	83,081	-	-	83,081	4,303	-	4,303 (2) B	-	-	Note 5
Wonderful Photoelectricity (Dongguan) Co., Ltd.	Sales and manufacturing of wires and cables	177,616	2	50,624	-	-	50,624	(56,045)	81.63%	(45,750) (2) C	215,117	-	
Cumulative investment remitted from Taiwan to the mainland China at the end of the period		The investment approved by the Ministry of Economic Affairs	Investment to the Mainland China approved by the Ministry of Economic Affairs										
Company name													
Wonderful Hi-Tech Co., Ltd.	\$	325,940	\$	360,985	\$	2,136,626							

Note 1: Investments are made in the following four ways, fill in the code:

- (1) Direct investment in mainland China.
- (2) Re-investment in Mainland company through a third region company (please specify the third region company).
 - A. Reinvestment in Siyang Wanshih Electronic Element Co., Ltd., through Wonderful Holding (Cayman) Co., Ltd., and then through Wonderful International (Cayman) Co., Ltd.
 - B. Reinvestment in Shanghai Elitech Technology Co., Ltd. through Yi-Tai Technology Co., Ltd.
 - C. Reinvestment in Wonderful Photoelectricity (Dongguan) Co., Ltd. through Le Hao International Co., Ltd.
- (3) Other ways.

Note 2: In the investment profit and loss recognized in the current period:

- (1) Please specify if it is in preparation and there is no investment gain or loss.
- (2) Investment profit and loss are recognized on the following three basis, which should be specified.
 - A. Financial statements audited by an international accounting firm in partnership with a Republic of China accounting firm.
 - B. Financial statements audited by certified accountants of the parent company in Taiwan.
 - C. Financial statements prepared and not verified by accountants for the corresponding period

Note 3: Suzhou Wanshih Optical Communication Co., Ltd., an investee held by the Company under the acquisition equity method, is provided for impairment in full in 2012 because its recoverable amount is lower than the book value.

Note 4: Siyang Wanshih Electronic Element Co., Ltd., an investee held by the Group under the equity method, was disposed of in 2020.

Note 5: Shanghai Elitech Technology Co., Ltd., an investee held by the Group under the equity method, was disposed of in August 2024.

Wonderful Hi-Tech Co., Ltd. and Subsidiaries
Information on Major Shareholders
31-Dec-24

Table 9

Name of major shareholders	Shares	
	Number of shares held	Shareholding percentage
Ming-Lieh Chang	11,705,911	7.15%
Mei Ming Investment Co., Ltd.	14,116,070	8.62%

Note 1: The information on major shareholders in this table shows the information of shareholders holding more than 5% of the Company's ordinary and special shares (including treasury shares) that have been delivered without physical registration as calculated by the depository company. The capital stock recorded in the financial report may be different from the actual number of shares delivered by the Company without physical registration due to a

Note 2: If the above information involves shareholder's handing over their shareholding to the trust, it shall be disclosed by the individual account of the trustor whose special trust account is opened by the trustee. As for shareholders who hold more than 10% of the shares and are subject to reporting requirements under the securities trading laws, this includes their own shareholding as well as shares held through entrusted arrangements where they have decision-making power over the entrusted assets.

For insider share declaration information, please refer to the Market Observation Post System.