

Taiwan Chinsan Electronic Industrial Co., Ltd. and Subsidiaries
Consolidated Financial Statements and Independent Auditors' Report
Year 2024 and Year 2023
(Stock Code: 8042)

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Taiwan Chinsan Electronic Industrial Co., Ltd. and Subsidiaries
Consolidated Financial Statements and Independent Auditors' Reports
For the Years Ended 2024 and 2023
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Taiwan Chinsan Electronic Industrial Co., Ltd.

Statement on the Consolidated Financial Statements of Affiliated Enterprises

For the year 2024 (from January 1, 2024 to December 31, 2024), the entities that the Company is required to include in the preparation of consolidated financial statements of affiliated enterprises pursuant to the “Regulations Governing the Preparation of Consolidated Business Reports, Consolidated Financial Statements, and Affiliation Reports of Affiliated Enterprises” are identical to those required to be included in the preparation of parent-subsidary consolidated financial statements in accordance with International Financial Reporting Standard No. 10, as recognized and promulgated by the Financial Supervisory Commission. Furthermore, all relevant information required to be disclosed in the consolidated financial statements of affiliated enterprises has already been disclosed in the aforementioned parent-subsidary consolidated financial statements. Accordingly, separate consolidated financial statements of affiliated enterprises are not prepared.

Statement

Company Name: Taiwan Chinsan Electronics Industrial
Co., Ltd.

Responsible Person: CHIANG, SHIH-HSIN

March 25, 2025

Independent Auditors' Report

(114) Financial Audit Report No. 24005106

Taiwan Chinsan Electronic Industrial Co., Ltd. For your reference.

Audit Opinion

The consolidated balance sheets of Taiwan Chinsan Electronic Industrial Co., Ltd. and its subsidiaries (hereinafter referred to as the "CHINSAN Group") as of December 31, 2024, together with the consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows for the year ended December 31, 2024, and the notes to the consolidated financial statements (including a summary of significant accounting policies), have been audited by our firm.

In our opinion, the aforementioned consolidated financial statements fairly present, in all material respects, the consolidated financial position of CHINSAN Group as of December 31, 2024, as well as its consolidated financial performance and consolidated cash flows for the year 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, interpretations, and interpretative announcements as endorsed and promulgated by the Financial Supervisory Commission.

Basis for Opinion

The certified public accountant conducted the audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. The responsibilities of the certified public accountant under these standards are further detailed in the section titled "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements." The personnel of the firm to which the certified public accountant belongs, who are subject to independence requirements, have complied with the Code of Professional Ethics for Certified Public Accountants in the Republic of China, have maintained independence from CHINSAN Group, and have fulfilled other ethical responsibilities in accordance with these requirements. The certified public accountant believes that sufficient and appropriate audit evidence has been obtained to provide a basis for the audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of the

most significance in the audit of the consolidated financial statements of CHINSAN Group for the year 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion. We do not provide a separate opinion on these matters.

The key audit matters of the consolidated financial statements of CHINSAN Group for the year 2024 are described as follows:

Sales Revenue Recognition Cut-Off

Description of Key Audit Matters

For detailed information regarding the accounting policy on revenue recognition, please refer to Note 4(28) of the consolidated financial statements. CHINSAN Group's revenue is derived exclusively from the sale of capacitors, which is primarily categorized into direct shipments and consignment warehouse sales. For consignment warehouse sales, revenue is recognized when the customer collects the goods, that is, when control of the products is transferred to the customer. The company primarily relies on actual pick-up reports provided by the consignment warehouse custodian, together with other relevant information, as the basis for revenue recognition. As the revenue recognition process for consignment warehouse sales involves manual adjustments, there is a risk of improper revenue cut-off, which may result in revenue recognized near the period-end being recorded in the incorrect period. Accordingly, the auditor has identified the cut-off of sales revenue as one of the key audit matters for the year 2024.

Responsive audit procedures

The procedures performed in response to the aforementioned key audit matters are summarized as follows:

1. Understand and test the internal control procedures related to sales revenue recognition in order to assess the effectiveness of management's internal controls over revenue recognition.
2. A sample audit was performed on all sales transactions recorded during the year, with verification conducted against customer orders, sales invoices, delivery notes, and export declarations to confirm the terms of the transactions and the timing of revenue recognition. Furthermore, subsequent sales returns and allowances were reviewed to ensure that there were no material returns.
3. Conduct cutoff tests on sales transactions occurring within defined periods immediately before and after the end of the financial reporting period to assess the

appropriateness of sales revenue recognition cutoff.

Valuation of Financial Assets at Fair Value Through Profit or Loss for Unlisted Companies – Pinda Technology Co., Ltd.

Description of Key Audit Matters

For detailed information on the accounting policies for financial assets measured at fair value through profit or loss, please refer to Note 4(7) of the consolidated financial statements. For details regarding uncertainties in accounting estimates and assumptions related to the assessment of financial assets measured at fair value through profit or loss, please refer to Note 5(2) of the consolidated financial statements. For explanations concerning the fair value of financial assets measured at fair value through profit or loss, please refer to Note 6(2) and 12(3) of the consolidated financial statements.

CHINSAN Group has invested in the shares of Pinda Technology Co., Ltd., which are not quoted in an active market. As of December 31, 2024, this equity instrument investment is recognized as a non-current financial asset measured at fair value through profit or loss, with a carrying amount of NT\$439,055 thousand. In the absence of an active market quotation for this equity investment, its valuation is determined using a valuation technique. The application of such valuation techniques involves the use of models, parameters, and calculations, and the process entails significant subjective judgment. Accordingly, the auditor has identified the fair value assessment of the shares of Pinda Technology Co., Ltd. as one of the key audit matters for the year 2024.

Responsive audit procedures

The procedures performed in response to the aforementioned key audit matters are summarized as follows:

1. Verify that the projected future cash flows employed in the valuation model are consistent with the business plan of Pinda Technology Co., Ltd., and further assess the actual performance results of the operational plans previously proposed by management.
2. Evaluate the reasonableness of the key assumptions and parameters utilized in the valuation model, including the projected growth rate and discount rate.
3. Review management's analyses of the aforementioned significant assumptions and parameters to verify their effects on the assessment of the fair value per share of equity.

Other Matters – Separate Financial Statements

Taiwan Chinsan Electronic Industrial Co., Ltd. has prepared its individual financial statements for the year 2024, which have been audited by a certified public accountant. The auditor has issued an unqualified opinion with an Other Matters paragraph in the audit report for reference.

Other Matters – Prior Period Consolidated Financial Statements Audited by Other Auditors

The consolidated financial statements of CHINSAN Group for the year 2023 were audited by other certified public accountants. On March 26, 2024, audit reports with unqualified opinions (including paragraphs on other matters) were issued by other certified public accountants for the financial statements of investee companies accounted for using the equity method and included in the consolidated financial statements.

Responsibilities of Management and the Governance Body for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the International Financial Reporting Standards, International Accounting Standards, interpretations, and interpretive announcements as endorsed and promulgated by the Financial Supervisory Commission, to ensure their fair presentation. Management is also responsible for establishing and maintaining the necessary internal controls relevant to the preparation of the consolidated financial statements to ensure that such statements are free from material misstatement, whether due to fraud or error.

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

The governance bodies of CHINSAN Group, including the Audit Committee, are responsible for overseeing the financial reporting process.

Responsibilities of Certified Public Accountants in the Audit of Consolidated Financial Statements

The objective of our audit of the consolidated financial statements is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report. Reasonable assurance constitutes a high level of assurance; however, an audit conducted in accordance with the auditing standards of the Republic of China does not guarantee that all material misstatements in the consolidated financial statements will be detected. Misstatements may result from fraud or error. A misstatement is considered material if, individually or in the aggregate, it could reasonably be expected to influence the economic decisions of users based on the consolidated financial statements.

The audit was conducted in accordance with the auditing standards of the Republic of China. Throughout the engagement, the auditors exercised professional judgment and maintained professional skepticism, and performed the following procedures:

1. Identify and assess the risks of material misstatement in the consolidated financial statements arising from fraud or error; design and implement appropriate responses to the identified risks; and obtain sufficient and appropriate audit evidence to provide a basis for the audit opinion. Because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls, the risk of not detecting a material misstatement resulting from fraud is higher than that from error.
2. Obtain a sufficient understanding of internal controls relevant to the audit in order to design audit procedures appropriate to the circumstances; however, this understanding is not intended to provide an opinion on the effectiveness of CHINSAN Group's internal controls.
3. Assess the appropriateness of the accounting policies adopted by management, as well as the reasonableness of accounting estimates and related disclosures.
4. Based on the audit evidence obtained, we form a conclusion as to the appropriateness of management's use of the going concern basis of accounting and whether any material uncertainty exists related to events or conditions that may cast significant doubt on the CHINSAN Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our audit opinion accordingly. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause

the CHINSAN Group to cease to continue as a going concern.

5. Assess the overall presentation, structure, and content of the consolidated financial statements (including the accompanying notes), and determine whether the consolidated financial statements fairly present the relevant transactions and events.
6. In order to obtain sufficient and appropriate audit evidence regarding the financial information of the components within the Group for the purpose of expressing an opinion on the consolidated financial statements, I am responsible for directing, supervising, and performing the audit of the consolidated financial statements, as well as for forming the audit opinion thereon.

Matters communicated by the accountant to the governance body include the planned scope and timing of the audit, as well as significant audit findings identified during the audit process, including any significant deficiencies in internal control detected during the audit.

The auditor has also provided the governing body with a declaration confirming that all personnel of the audit firm with which the auditor is affiliated have complied with the independence requirements stipulated in the Code of Professional Ethics for Certified Public Accountants of the Republic of China. Furthermore, the auditor has communicated with the governing body regarding all relationships and other matters that could be considered to affect the auditor's independence, including the relevant safeguards.

Based on the matters communicated with those charged with governance, I have determined the key audit matters for the audit of the consolidated financial statements of CHINSAN Group for the year 2024. These matters are disclosed in the audit report, except in cases where laws or regulations prohibit the public disclosure of specific matters, or, in extremely rare circumstances, where I have concluded that the adverse consequences of such disclosure would reasonably be expected to outweigh the benefits to the public interest.

PwC Taiwan Certified Public Accountants Firm

Certified Public Accountant

Tu Zhanyuan

Lai Tsung-Hsi

Financial Supervisory Commission

Approval Document Number:

Financial Supervisory Commission Certification No. 1120348565

Former Securities and Futures Bureau of the Financial
Supervisory Commission

Approval Document Number:

Financial Supervisory Commission Securities Letter No.
0960038033

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Notice to Readers

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

The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

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

Taiwan Chinsan Electronics Industrial Co., Ltd. and its subsidiaries
Consolidated Statement of Financial Position
As of December 31, 2024 and December 31, 2023

Unit: Thousands of New Taiwan Dollars (NT\$)

Assets	Note	December 31, 2024		December 31, 2023		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,675,599	19	\$ 1,725,355	21
1110	Current financial assets measured at fair value through profit or loss	6(2)	342,670	4	340,351	4
1136	Current financial assets at amortized cost	6(4) and 8	489,604	6	182,972	2
1150	Net notes receivable	6(5)	1,500	-	1,132	-
1170	Net Accounts Receivable	6(5)	1,362,497	15	1,191,803	15
1200	Other Receivables		25,417	-	31,783	1
1220	Current Income Tax Assets	6(28)	6,702	-	6,702	-
130X	Inventories	6(6)	1,363,552	15	1,070,510	13
1470	Other current assets		54,214	1	69,131	1
11XX	Subtotal of Current Assets		<u>5,321,755</u>	<u>60</u>	<u>4,619,739</u>	<u>57</u>
Non-current assets						
1510	Non-current financial assets measured at fair value through profit or loss	6(2)	523,232	6	532,305	7
1517	Non-current assets measured at fair value through other comprehensive income	6(3)	172,512	2	156,200	2
1550	Investments accounted for under the equity method	6(7)	36,756	-	53,675	1
1600	Property, Plant and Equipment	6(8) and 8	2,304,158	26	2,149,940	26
1755	Right-of-use assets	6(9) and 7	358,650	4	364,792	4
1760	Net carrying amount of investment properties	6(10) and 8	77,012	1	76,223	1
1780	Intangible Assets	6(11)	64,660	-	71,613	1
1840	Deferred income tax assets	6(28)	3,551	-	3,134	-
1900	Other non-current assets		71,801	1	96,607	1
15XX	Subtotal of non-current assets		<u>3,612,332</u>	<u>40</u>	<u>3,504,489</u>	<u>43</u>
1XXX	Total Assets		<u>\$ 8,934,087</u>	<u>100</u>	<u>\$ 8,124,228</u>	<u>100</u>

(To be continued on the next page)

Taiwan Chinsan Electronics Industrial Co., Ltd. and its subsidiaries
Consolidated Statement of Financial Position
As of December 31, 2024 and December 31, 2023

Unit: Thousands of New Taiwan Dollars (NT\$)

Liabilities and Equity	Note	December 31, 2024		December 31, 2023		
		Amount	%	Amount	%	
Current liabilities						
2100	Short-term loans	6(12) and 8	\$ 1,860,000	21	\$ 1,715,000	21
2110	Short-term bills payable	6(13)	80,000	1	-	-
2130	Current contract liabilities	6(21) and 7	1,828	-	60	-
2150	Notes Payable		566,255	6	372,956	5
2170	Accounts Payable		553,866	6	463,261	6
2200	Other Payables		133,613	2	135,273	2
2230	Current income tax liabilities	6(28)	29,067	-	7,180	-
2280	Current lease liabilities	7.	10,809	-	10,407	-
2320	Current portion of long-term liabilities due within one year or within one operating cycle	6(15)	314,205	4	15,040	-
2365	Current refund liabilities		52,611	1	33,071	-
2399	Other current liabilities – other		14,742	-	16,199	-
21XX	Total Current Liabilities		<u>3,616,996</u>	<u>41</u>	<u>2,768,447</u>	<u>34</u>
Non-current liabilities						
2540	Long-term loans	6(15)	863,070	10	1,136,445	14
2570	Deferred income tax liabilities	6(28)	6,548	-	3,401	-
2580	Non-current lease liabilities	7.	291,392	3	296,650	4
2600	Other non-current liabilities		17,146	-	11,335	-
25XX	Subtotal of Non-Current Liabilities		<u>1,178,156</u>	<u>13</u>	<u>1,447,831</u>	<u>18</u>
2XXX	Total Liabilities		<u>4,795,152</u>	<u>54</u>	<u>4,216,278</u>	<u>52</u>
Equity attributable to owners of the parent						
Capital Stock						
3110	Common stock	6(17)	1,294,625	15	1,294,625	16
Capital surplus						
3200	Capital surplus	6(18)	1,230,685	13	1,321,309	16
Retained earnings						
3310	Legal reserve	6(19)	565,969	6	557,219	7
3320	Special Reserve		330,939	4	303,982	4
3350	Undistributed Earnings		663,040	7	689,564	8
Other Equity						
3400	Other Equity	6(20)	(22,233)	-	(321,318)	(4)
31XX	Subtotal of shareholders' equity – Parent Company		<u>4,063,025</u>	<u>45</u>	<u>3,845,381</u>	<u>47</u>
36XX	Non-controlling interests		<u>75,910</u>	<u>1</u>	<u>62,569</u>	<u>1</u>
3XXX	Total equity		<u>4,138,935</u>	<u>46</u>	<u>3,907,950</u>	<u>48</u>
Major Contingent Liabilities and Unrecognized Contractual Commitments						
Material Subsequent Events						
3X2X	Total Liabilities and Equity	11.	<u>\$ 8,934,087</u>	<u>100</u>	<u>\$ 8,124,228</u>	<u>100</u>

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial reports and should be read in conjunction with them.

Chairman: CHIANG, SHIH-HSIN

Manager: CHIANG, CHING-SHIN

Chief Accounting Officer: Mao-Sung Tsai

Taiwan Chinsan Electronics Industrial Co., Ltd. and its subsidiaries
Consolidated Statement of Comprehensive Income
For the years ended December 31, 2024 and 2023

Unit: Thousands of New Taiwan Dollars (NT\$)
(Except for earnings per share, which is presented in New Taiwan dollars)

	Contents	Note	Year 2024		Year 2023	
			Amount	%	Amount	%
4000	Operating Revenue	6(21)	\$ 3,430,181	100	\$ 3,193,488	100
5000	Operating Costs	6(6)(8)(26)(27)	(2,755,627)	(80)	(2,639,930)	(83)
5900	Gross Profit		<u>674,554</u>	<u>20</u>	<u>553,558</u>	<u>17</u>
	Operating expenses	6(8)(9)(10)(11)(26)(27)				
6100	Selling expenses		(205,505)	(6)	(201,309)	(6)
6200	Administrative expenses		(235,650)	(7)	(219,388)	(7)
6300	Research and Development Expenses		(93,233)	(3)	(88,938)	(3)
6450	Expected credit impairment gains	12(2)	1	-	473	-
6000	Total operating expenses		<u>(534,387)</u>	<u>(16)</u>	<u>(509,162)</u>	<u>(16)</u>
6900	Operating profit		<u>140,167</u>	<u>4</u>	<u>44,396</u>	<u>1</u>
	Non-operating Income and Expenses					
7100	Interest Income	6(22)	63,144	2	58,250	2
7010	Other Income	6(23)	28,043	1	37,256	1
7020	Other Income and Expenses	6(24)	(18,235)	(1)	70,843	2
7050	Finance Costs	6(25) and 7	(59,289)	(2)	(51,390)	(1)
7060	Share of profit or loss of associates and joint ventures accounted for using the equity method	6(7)	(16,631)	-	(26,925)	(1)
7000	Subtotal of Non-Operating Income and Expenses		<u>(2,968)</u>	<u>-</u>	<u>88,034</u>	<u>3</u>
7900	Profit Before Tax		<u>137,199</u>	<u>4</u>	<u>132,430</u>	<u>4</u>
7950	Income tax expense	6(28)	(59,108)	(2)	(41,209)	(1)
8200	Net income		<u>\$ 78,091</u>	<u>2</u>	<u>\$ 91,221</u>	<u>3</u>
	Other comprehensive income (loss), net	6(3)(20)				
	Items that will not be reclassified subsequently to profit or loss					
8311	Remeasurement gains on defined benefit plans	6(16)	(\$ 3,395)	-	\$ 136	-
8316	Unrealized gains and losses on equity instrument investments measured at fair value through other comprehensive income (loss)		11,662	-	1,560	-
8349	Income tax relating to items not subject to reclassification	6(20)(28)	(26)	-	(27)	-
8310	Total amount of items that will not be subsequently reclassified to profit or loss		<u>8,241</u>	<u>-</u>	<u>1,669</u>	<u>-</u>
	Items that are or may be subsequently reclassified to profit or loss					
8361	Exchange differences resulting from the translation of financial statements of overseas subsidiaries		290,803	9	(27,880)	(1)
8360	Total amount of items that are or may be reclassified subsequently to profit or loss		<u>290,803</u>	<u>9</u>	<u>(27,880)</u>	<u>(1)</u>
8300	Other comprehensive income (loss), net		<u>\$ 299,044</u>	<u>9</u>	<u>(\$ 26,211)</u>	<u>(1)</u>
8500	Total Comprehensive Income (loss)		<u>\$ 377,135</u>	<u>11</u>	<u>\$ 65,010</u>	<u>2</u>
	Net income (loss) attributable to:					
8610	Parent Company		\$ 77,429	2	\$ 92,670	3
8620	Non-controlling interests		662	-	(1,449)	-
			<u>\$ 78,091</u>	<u>2</u>	<u>\$ 91,221</u>	<u>3</u>
	Total comprehensive income (loss) attributable to:					
8710	Parent Company		\$ 373,286	11	\$ 66,126	2
8720	Non-controlling interests		3,849	-	(1,116)	-
			<u>\$ 377,135</u>	<u>11</u>	<u>\$ 65,010</u>	<u>2</u>
9750	Basic Earnings Per Share Net income	6(29)	<u>\$ 0.60</u>		<u>\$ 0.72</u>	
9850	Diluted Earnings Per Share Net income	6(29)	<u>\$ 0.60</u>		<u>\$ 0.72</u>	

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial reports and should be read in conjunction with them.

Taiwan Chinsan Electronics Industrial Co., Ltd. and its subsidiaries
Consolidated Statement of Changes in Equity
For the years ended December 31, 2024 and 2023

Unit: Thousands of New Taiwan Dollars (NT\$)

	Note	Equity attributable to owners of the parent									
		Retained earnings					Other Equity				
		Common stock	Capital surplus	Statutory Surplus Reserve Capital Surplus	Special Surplus Reserve Capital Surplus	Undistributed Earnings	Overseas Operating Aircraft Preparation of Financial Statements Foreign Currency Translation Variance	Through other comprehensive income Profit or Loss on Fair Value Measurement of Financial instruments measured at fair value Unrealized assets Statement of Profit or Loss	Total	Non-controlling interests	Total equity
For the period from January 1, 2023 to December 31, 2023											
Balance as of January 1, 2023		\$ 1,294,625	\$ 1,412,631	\$ 546,474	\$ 630,478	\$ 389,878	(\$ 275,557)	(\$ 18,804)	\$ 3,979,725	\$ 66,616	\$ 4,046,341
Net income		-	-	-	-	92,670	-	-	92,670	(1,449)	91,221
Other Comprehensive Income (loss)	6(20)	-	-	-	-	109	(28,213)	1,560	(26,544)	333	(26,211)
Total Comprehensive Income (loss)		-	-	-	-	92,779	(28,213)	1,560	66,126	(1,116)	65,010
Earnings Distribution and Appropriation for the Year 2022	6(19)										
Appropriation of Legal Reserve		-	-	10,745	-	(10,745)	-	-	-	-	-
Reversal of Special Reserve		-	-	-	(326,496)	326,496	-	-	-	-	-
Cash Dividends on Ordinary Shares		-	-	-	-	(103,570)	-	-	(103,570)	-	(103,570)
Distribution of Cash Dividends from Capital Surplus	6(19)	-	(90,624)	-	-	-	-	-	(90,624)	-	(90,624)
The subsidiary distributed cash dividends to non-controlling interests.		-	-	-	-	-	-	-	-	(3,271)	(3,271)
Changes in associates and joint ventures recognized under the equity method		-	(634)	-	-	(5,578)	-	-	(6,212)	-	(6,212)
Repurchase of Convertible Bonds		-	(64)	-	-	-	-	-	(64)	-	(64)
Disposal of Equity Instruments Designated at Fair Value Through Other Comprehensive Income		-	-	-	-	304	-	(304)	-	-	-
Increase in Non-Controlling Interests		-	-	-	-	-	-	-	-	340	340
Balance as of 31 December 2023		\$ 1,294,625	\$ 1,321,309	\$ 557,219	\$ 303,982	\$ 689,564	(\$ 303,770)	(\$ 17,548)	\$ 3,845,381	\$ 62,569	\$ 3,907,950
From January 1, 2024 to December 31, 2024											
Balance as at January 1, 2024		\$ 1,294,625	\$ 1,321,309	\$ 557,219	\$ 303,982	\$ 689,564	(\$ 303,770)	(\$ 17,548)	\$ 3,845,381	\$ 62,569	\$ 3,907,950
Net income		-	-	-	-	77,429	-	-	77,429	662	78,091
Other Comprehensive Income (loss)	6(20)	-	-	-	-	(3,228)	287,423	11,662	295,857	3,187	299,044
Total Comprehensive Income (loss)		-	-	-	-	74,201	287,423	11,662	373,286	3,849	377,135
Earnings Appropriation and Allocation for Year 2023	6(19)										
Appropriation of Legal Reserve		-	-	8,750	-	(8,750)	-	-	-	-	-
Appropriation of Special Reserve		-	-	-	26,957	(26,957)	-	-	-	-	-
Cash Dividends on Ordinary Shares		-	-	-	-	(64,731)	-	-	(64,731)	-	(64,731)
Distribution of Cash Dividends from Capital Surplus	6(19)	-	(90,624)	-	-	-	-	-	(90,624)	-	(90,624)
The subsidiary distributed cash dividends to non-controlling interests.		-	-	-	-	-	-	-	-	(1,922)	(1,922)
Changes in associates and joint ventures recognized under the equity method		-	-	-	-	(287)	-	-	(287)	-	(287)
Increase in Non-Controlling Interests		-	-	-	-	-	-	-	-	11,414	11,414
Balance as at December 31, 2024		\$ 1,294,625	\$ 1,230,685	\$ 565,969	\$ 330,939	\$ 663,040	(\$ 16,347)	(\$ 5,886)	\$ 4,063,025	\$ 75,910	\$ 4,138,935

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial reports and should be read in conjunction with them.

Chairman: CHIANG, SHIH-HSIN

Manager: CHIANG, CHING-SHIN

Chief Accounting Officer: Mao-Sung Tsai

Taiwan Chinsan Electronics Industrial Co., Ltd. and its subsidiaries

Consolidated Statement of Cash Flows

For the years ended December 31, 2024 and 2023

Unit: Thousands of New Taiwan Dollars (NT\$)

	Note	January 1, 2024 As of December 31,	January 1, 2023 As of December 31,
Net cash flows from operating activities			
Net income before income tax for the current period		\$ 137,199	\$ 132,430
Adjustment Items			
Income and expense items not affecting cash flows:			
Reversal of Expected Credit Loss	12(2)	(1)	(473)
Inventory write-down losses	6(6)	27,701	29,918
Depreciation Expense	6(8)(9)(10)(26)	189,170	196,481
Amortization expense	6(26)	19,954	23,055
Losses (gains) on financial assets at fair value through profit or loss	6(2)(24)	41,503	(90,933)
Share of profit or loss of associates and joint ventures accounted for using the equity method	6(7)	16,631	26,925
Gains on disposal of property, plant and equipment	6(24)	(59)	(48)
Dividend Income	6(23)	(12,091)	(19,650)
Interest Income	6(22)	(63,144)	(58,250)
Disaster Losses	6(24)	-	21,896
Interest expense	6(25)	59,289	51,390
Loss on Redemption of Corporate Bonds		-	4
Changes in assets and liabilities arising from operating activities			
Net change in assets associated with operating activities			
Net notes receivable	(	368)	16,935
Net Accounts Receivable	(	170,695)	132,349
Other Receivables		6,304	5,152
Inventories	(	320,743)	67,907
Prepayments		11,155	(5,540)
Other current assets		3,762	(3,274)
Net change in liabilities associated with operating activities			
Current contract liabilities		1,768	4,644
Notes Payable		193,299	60,636
Accounts Payable		90,605	122,042
Other Payables	(	2,361)	(16,635)
Current Refund Liabilities		19,540	24,108
Other current liabilities	(	1,458)	1
Net defined benefit liabilities		1,076	(77)
Cash inflows from operating activities		248,036	720,993
Interest income		62,334	58,082
Interest Paid	(	52,136)	(44,180)
Income Tax Payment	(	34,491)	(34,238)
Net cash flows from operating activities		223,743	700,657
Cash Flows from Investing Activities			
Dividends received		12,091	12,794
Acquisition of financial assets measured at fair value through profit or loss	(	1,346,549)	(1,070,683)
Disposal of financial assets at fair value through profit or loss		1,315,555	990,399
Proceeds from the disposal of non-current financial assets measured at fair value through other comprehensive income (loss)	6(3)	-	304
Acquisition of financial assets at amortized cost	(	327,533)	-
Disposal of financial assets at amortized cost		20,901	29,442
Acquisition of property, plant, and equipment	6(8)	(175,876)	(357,908)
Proceeds from the disposal of property, plant, and equipment		59	48
Acquisition of Intangible Assets	6(11)	(1,995)	(11,016)
Increase in prepayments for equipment	(	23,809)	(38,081)
Decrease (increase) in guarantee deposits		746	(127)
Decrease (increase) in other non-current assets		2,883	(5,095)
Net cash outflow from investing activities	(	523,527)	(449,923)
Cash flows from financing activities			
Increase in short-term borrowings	6(30)	145,000	480,000
Increase (decrease) in short-term bills payable	6(30)	80,000	(80,000)
Proceeds from long-term borrowings (including current portions due within one year)	6(30)	931,659	1,011,284
Repayment of long-term borrowings (including the current portion due within one year)	6(30)	(915,279)	(1,050,697)
Payment of lease obligations	6(9)(30)	(10,985)	(10,281)
The subsidiary distributed cash dividends to non-controlling interests.		1,922	(3,271)
Distribution of Cash Dividends from Capital Surplus	6(19)	(90,624)	(90,624)
Cash Dividend Distribution	6(19)(30)	(64,731)	(103,570)
Redemption of Corporate Bonds	6(30)	-	(426,692)
Increase (decrease) in guarantee deposits	6(30)	22	(915)
Net Cash Flows Provided by (Used in) Financing Activities		73,140	(274,766)
Effect of Changes in Exchange Rates on Cash and Cash Equivalents		176,888	(4,151)
Net decrease in cash and cash equivalents for the period	(	49,756)	(28,183)
Cash and Cash Equivalents at the Beginning of the Period	6(1)	1,725,355	1,753,538
Cash and Cash Equivalents at End of Period	6(1)	\$ 1,675,599	\$ 1,725,355

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial reports and should be read in conjunction with them.

Taiwan Chinsan Electronic Industrial Co., Ltd. and Subsidiaries
Notes to the Consolidated Financial Statements
Year 2024 and Year 2023

Unit: Thousands of New Taiwan Dollars (NT\$)
(Unless otherwise stated)

1. Company History

Taiwan Chinsan Electronic Industrial Co., Ltd. (the Company) was established in the Republic of China on March 20, 1970, in accordance with the Company Act. The Company completed its initial public offering on October 20, 2000, with a paid-in capital of \$220,000. The Company's shares were listed on the OTC market on March 22, 2004, with a paid-in capital of \$442,789. As of December 31, 2024, the Company's registered capital was \$3,000,000, and its paid-in capital was \$1,294,625. Together with its subsidiaries (the Group), the Company is principally engaged in the manufacturing, processing, sale, and import and export of various electronic equipment and capacitors.

2. Date and Procedures for the Approval of Financial Statements

This consolidated financial report was issued upon approval by the Board of Directors on March 25, 2025.

3. Adoption of Newly Issued and Amended Standards and Interpretations

(1) Impact of newly issued or amended International Financial Reporting Standards as approved and promulgated by the Financial Supervisory Commission (hereinafter referred to as the "FSC")

The following table provides a summary of the newly issued, amended, and revised International Financial Reporting Standards and Interpretations applicable for the year 2024, as approved and promulgated by the Financial Supervisory Commission.

<u>Newly Issued, Amended, or Revised Standards and Interpretations</u>	<u>Effective Date as Announced by the IASB</u>
Amendments to IFRS 16: Lease Liabilities in a Sale and Leaseback Transaction	January 1, 2024
Amendment to International Accounting Standard 1: Classification of Liabilities as Current or Non-current	January 1, 2024
Amendments to IAS 1: Non-current Liabilities Subject to Covenants	January 1, 2024
Amendments to IAS 7 and IFRS 7—Supplier Finance Arrangements	January 1, 2024

Upon evaluation, the Group has determined that the aforementioned standards and interpretations have no material impact on its financial position or financial performance.

(2) Impact of Newly Issued or Amended International Financial Reporting Standards Not Yet Endorsed by the Financial Supervisory Commission

The table below provides a summary of the newly issued, amended, and revised International Financial Reporting Standards and Interpretations applicable for the year 2025, as recognized by the Financial Supervisory Commission.

<u>Newly Issued, Amended, or Revised Standards and Interpretations</u>	<u>Effective Date as Announced by the IASB</u>
Partial Amendments to the Classification and Measurement of Financial Instruments under International Financial Reporting Standard 9 and International Financial Reporting Standard 7	January 1, 2026
Amendments to International Accounting Standard 21: Lack of Exchangeability	January 1, 2025

Upon evaluation, the Group has determined that the aforementioned standards and interpretations have no material impact on its financial position or financial performance.

(3) Impact of International Financial Reporting Standards Issued by the International Accounting Standards Board That Have Not Yet Been Endorsed by the Financial Supervisory Commission

The table below provides a summary of the newly issued, amended, and revised standards and interpretations promulgated by the International Accounting Standards Board that have not yet been incorporated into the International Financial Reporting Standards as endorsed by the Financial Supervisory Commission.

<u>Newly Issued, Amended, or Revised Standards and Interpretations</u>	<u>Effective Date as Announced by the IASB</u>
Partial Amendments to the Classification and Measurement of Financial Instruments under International Financial Reporting Standard 9 and International Financial Reporting Standard 7	January 1, 2026
Amendments to IFRS 9 and IFRS 7: Contracts Involving Natural Resources	January 1, 2026
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Subject to the decisions of the International Accounting

International Financial Reporting Standard No. 17, “Insurance Contracts”	January 1, 2023
Amendments to International Financial Reporting Standard 17 — Insurance Contracts	January 1, 2023
Amendments to IFRS 17: Initial Application of IFRS 17 and IFRS 9 — Comparative Information	January 1, 2023
International Financial Reporting Standard No. 18: Presentation and Disclosure in Financial Statements	January 1, 2027
International Financial Reporting Standard No. 19: Disclosure of Subsidiaries without Public Accountability	January 1, 2027
Annual Improvements to International Financial Reporting Standards – Volume 11	January 1, 2026

Except as stated below, the Group has determined that the aforementioned standards and interpretations do not have a material impact on its financial position or financial performance.

International Financial Reporting Standard No. 18, "Presentation and Disclosure in Financial Statements," supersedes International Accounting Standard No. 1, updates the structure of the statement of comprehensive income, introduces additional disclosures regarding management performance measures, and strengthens the principles of aggregation and disaggregation applied to the primary financial statements and accompanying notes.

4. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are outlined below. Unless otherwise specified, these policies have been applied consistently across all reporting periods.

(1) Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretations Announcements (collectively referred to as IFRSs), as endorsed and promulgated by the Financial Supervisory Commission.

(2) Basis of Preparation

- a. Except for the following significant items, the consolidated financial statements have been prepared on a historical cost basis.

- (i) Financial assets and liabilities measured at fair value through profit or loss, including derivatives.
 - (ii) Financial assets measured at fair value through other comprehensive income (losses).
 - (iii) Defined benefit liabilities are recognized as the net amount of retirement fund assets less the present value of defined benefit obligations.
- b. The preparation of financial statements in accordance with International Financial Reporting Standards (IFRSs) requires the use of certain critical accounting estimates. The application of the Group's accounting policies also necessitates management's judgment. Matters involving significant judgment or complexity, as well as those that incorporate major assumptions and estimates in the consolidated financial statements, are disclosed in Note 5.

(3) Basis of Consolidation

a. Principles for the Preparation of Consolidated Financial Statements

- (i) The Group includes all subsidiaries as entities in the preparation of its consolidated financial statements. A subsidiary is an entity controlled by the Group. Control is deemed to exist when the Group is exposed, or has rights, to variable returns arising from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which the Group obtains control and are deconsolidated from the date on which such control is lost.
- (ii) Intercompany transactions, balances, and unrealized gains or losses among entities within the Group have been eliminated. The accounting policies of the subsidiaries have been adjusted as necessary to ensure alignment with those adopted by the Group.
- (iii) Each component of profit or loss and other comprehensive income shall be allocated to the parent company and non-controlling interests. Total comprehensive income shall likewise be allocated to the parent company and non-controlling interests, even if such allocation results in a deficit balance for the non-controlling interests.
- (iv) Changes in the ownership interests of a subsidiary that do not result in a loss of control (i.e., transactions with non-controlling interests) are accounted for as equity transactions and are therefore regarded as transactions between the entity and its owners. Any difference between the amount by which non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

(v) When the Group loses control of a subsidiary, any retained investment in the former subsidiary is remeasured at its fair value. This fair value is recognized either as the initial measurement of a financial asset or, as applicable, as the cost of an investment in an associate or joint venture. The difference between the fair value and the carrying amount is recognized in profit or loss for the period. All amounts previously recognized in other comprehensive income (losses) relating to the subsidiary are accounted for on the same basis as if the Group had directly disposed of the related assets or liabilities. Specifically, if any gain or loss previously recognized in other comprehensive income (losses) would be reclassified to profit or loss upon the disposal of the related assets or liabilities, then, upon the loss of control of the subsidiary, such gain or loss is reclassified from equity to profit or loss.

b. Subsidiaries Included in the Consolidated Financial Statements

<u>Name of Investment Company</u>	<u>Subsidiary Name</u>	<u>Nature of Business</u>	<u>Percentage of Shareholding</u>		<u>Notes</u>
			<u>December 31, 2024</u>	<u>December 31, 2023</u>	
Taiwan Chinsan Electronic Industrial Co., Ltd.	Chinsan (Cayman) Enterprise Co., Ltd.	General investment activities	100%	100%	
"	Royal Cheng Investment Co., Ltd.	General investment activities	100%	100%	
Chinsan (Cayman) Enterprise Co., Ltd.	Chinsan Electronic Industrial (Thailand) Co., Ltd.	Manufacture and sale of aluminum capacitors	94.52%	94.52%	Note 3
"	Chinsan (BVI) Enterprise Co., Ltd.	Trading and investment activities pertaining to aluminum capacitors	100%	100%	
"	Elite (BVI) Enterprise Co., Ltd.	Aluminum capacitor trading	-	-	Note 1
"	Eagle Zone Limited	Trading and investment activities pertaining to aluminum capacitors	100%	100%	
"	King-Tachi Technology Company Limited	Trading and investment activities pertaining to aluminum capacitors	100%	100%	
"	Spotlight Int'l Co., Ltd.	General investment activities	100%	100%	
Spotlight Int'l Co., Ltd.	Wealthy Success Enterprise Limited	General investment activities	100%	100%	

	Guangzhou Kingtachi Electronic Co., Ltd.	Manufacturing, sales, and investment activities in aluminum capacitors	15.24%	15.24%	Note 2
King-Tachi Technology Company Limited	King Nichi Technology Guangzhou Co., Ltd.	Manufacturing, sales, and investment activities in aluminum capacitors	95.22%	95.22%	
	Guangzhou Kingtachi Electronic Co., Ltd.	Manufacturing, sales, and investment activities in aluminum capacitors	84.76%	84.76%	
Wealthy Success Enterprise Limited	Guangzhou Heng Long Investment Co., Ltd.	General investment activities	100%	100%	
Guangzhou Kingtachi Electronic Co., Ltd.	Guangzhou Youmao Electronics Co., Ltd.	Manufacture and sale of aluminum capacitors	100%	100%	

Note 1: Elite (BVI) Company was deregistered in 2023.

Note 2: In May 2023, Spotlight Int'L Co., Ltd. made a cash capital injection of USD 8,900 thousand into Guangzhou Kingtachi Electronic Co., Ltd.

Note 3: In October 2024, Chinsan Cayman Co., Ltd. made a cash capital injection of USD 6,159 thousand into Chinsan Electronic Industrial (Thailand) Co., Ltd.

- c. There are no subsidiaries excluded from the consolidated financial statements.
- d. Adjustments and treatment for subsidiaries with differing accounting periods: Not applicable.
- e. There are no significant restrictions.
- f. The Group does not have any subsidiaries with significant non-controlling interests.

(4) Foreign Currency Translation

The financial statements of each entity within the Group are measured in the currency of the primary economic environment in which that entity operates (i.e., its functional currency). The consolidated financial statements are presented in the Company's functional currency, the New Taiwan Dollar, which is also the reporting currency.

a. Foreign Currency Transactions and Balances

- (i) Foreign currency transactions are translated into the functional currency

at the spot exchange rate prevailing on the transaction date or measurement date. Any resulting exchange differences arising from such translations are recognized in profit or loss for the period.

- (ii) Foreign currency monetary assets and liabilities are remeasured at the spot exchange rate prevailing on the balance sheet date. Any exchange differences arising from such remeasurement are recognized in profit or loss for the current period.
- (iii) Foreign currency non-monetary assets and liabilities measured at fair value through profit or loss are remeasured using the spot exchange rate at the balance sheet date, with any resulting exchange differences recognized in current profit or loss. For non-monetary items measured at fair value through other comprehensive income (loss), remeasurement is also based on the spot exchange rate at the balance sheet date, and any resulting exchange differences are recognized in other comprehensive income (loss). Non-monetary items not measured at fair value are measured using the historical exchange rate at the date of the initial transaction.
- (iv) All foreign exchange gains (losses) are reported under "Other gains and losses" in the consolidated statement of comprehensive income.

b. Translation of Foreign Operations

- (i) For all subsidiaries, associates, and joint arrangements within the Group whose functional currency differs from the presentation currency, their operating results and financial position are translated into the presentation currency as follows:
 - A. Assets and liabilities presented in each balance sheet are translated at the closing exchange rate prevailing on the balance sheet date.
 - B. Revenues and expenses in each statement of comprehensive income are translated at the average exchange rate for the reporting period; and
 - C. All exchange differences arising from translation are recognized in other comprehensive income (losses).
- (ii) When a foreign operation is partially disposed of or sold and, as a result, becomes an associate or a joint arrangement, the exchange differences previously recognized in other comprehensive income are reclassified to profit or loss for the period on a proportionate basis, as part of the gain or loss on disposal. However, if the Group, while retaining a partial equity interest in the former associate or joint arrangement, loses

significant influence over the foreign operation that was an associate, or loses joint control over the foreign operation that was a joint arrangement, such a transaction is accounted for as a disposal of the entire equity interest in the foreign operation.

- (iii) When a foreign operation that is partially disposed of or sold is a subsidiary, the cumulative exchange differences previously recognized in other comprehensive income (loss) shall be proportionately reattributed to the non-controlling interests of that foreign operation. However, if the Group retains a portion of the equity in the former subsidiary but loses control over the foreign operation, the transaction shall be accounted for as a disposal of the entire equity interest in that foreign operation.

(5) Criteria for the Classification of Assets and Liabilities as Current or Non-Current

a. Assets shall be classified as current assets if they meet any of the following criteria:

- (i) Assets are expected to be realized in the normal operating cycle or are intended for sale or consumption.
- (ii) Held primarily for trading purposes.
- (iii) Expected to be realized within twelve months subsequent to the reporting period.
- (iv) Cash or cash equivalents, excluding amounts that are restricted from being exchanged or used to settle liabilities for at least twelve months after the reporting period.

The Group classifies all assets that do not satisfy the aforementioned criteria as non-current assets.

b. Liabilities that satisfy any of the following criteria shall be classified as current liabilities:

- (i) Settlement is expected to occur within the normal operating cycle.
- (ii) Held primarily for trading purposes.
- (iii) Repayment in full is required within twelve months following the end of the reporting period.
- (iv) Does not have the right to defer the settlement of liabilities for at least twelve months after the end of the reporting period.

The Group classifies all liabilities that do not satisfy the aforementioned criteria as non-current liabilities.

(6) Cash and cash equivalents

Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to specified amounts of cash and are subject to an insignificant risk of changes in value. Time deposits that satisfy the above criteria and are held for the purpose of meeting short-term operational cash commitments are also classified as cash equivalents.

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

- a. Refers to financial assets that are measured neither at amortized cost nor at fair value through other comprehensive income (loss).
- b. The Group adopts trade date accounting for financial assets measured at fair value through profit or loss that constitute regular transactions.
- c. The Group initially measures the asset or liability at fair value, with the related transaction costs recognized in profit or loss. Subsequently, the asset or liability is remeasured at fair value, and any resulting gains or losses are recognized in profit or loss.
- d. The Group recognizes dividend income in profit or loss when the right to receive the dividend has been established, it is highly probable that the associated economic benefits will flow to the Group, and the amount of the dividend can be measured reliably.

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

- a. This refers to making an irrevocable election at initial recognition to present changes in the fair value of equity instrument investments not held for trading in other comprehensive income (loss).
- b. The Group adopts settlement date accounting for financial assets measured at fair value through other comprehensive income that qualify as regular way transactions.
- c. The Group initially recognizes these at fair value plus transaction costs and subsequently measures them at fair value.

Changes in the fair value of equity instruments are recognized in other comprehensive income (loss). Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income (loss) are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings. When the right to receive dividends is established, it is probable that the economic benefits associated with the dividends will flow

to the Group, and the amount of the dividends can be measured reliably, the Group recognizes dividend income in profit or loss.

(9) Financial assets measured at amortized cost

- a. Individuals who concurrently satisfy all the following conditions:
 - (i) The asset is held within a business model whose objective is to collect contractual cash flows.
 - (ii) The contractual terms of the financial assets result in cash flows on specified dates that consist solely of payments of principal and interest on the outstanding principal amount.
- b. The Group adopts a settlement date accounting for financial assets measured at amortized cost that qualify as regular way transactions.
- c. The Group initially recognizes these at fair value plus transaction costs. Subsequently, during the holding period, interest income is recognized using the effective interest method under the amortized cost approach, and impairment losses are recognized as appropriate. Upon derecognition, any resulting gain or loss is recognized in profit or loss.
- d. The Group holds time deposits that do not qualify as cash equivalents. Given the short holding period, the effect of discounting is immaterial, and these deposits are measured at their invested amounts.

(10) Accounts Receivable and Notes Receivable

- a. Refers to accounts receivable and notes receivable that, in accordance with contractual provisions, arise from the transfer of goods or services and represent an unconditional right to receive consideration.
- b. For short-term accounts receivable and non-interest-bearing notes receivable, as the impact of discounting is immaterial, the Group measures these at their original invoice amounts.

(11) Impairment of Financial Assets

At each balance sheet date, the Group assesses financial assets measured at amortized cost by considering all reasonable and supportable information, including forward-looking data. For assets for which credit risk has not increased significantly since initial recognition, the loss allowance is measured based on 12-month expected credit losses. For assets for which credit risk has increased significantly since initial recognition, the loss allowance is measured based on lifetime expected credit losses. For accounts

receivable that do not contain a significant financing component, the loss allowance is also measured based on lifetime expected credit losses.

(12) Derecognition of Financial Assets

When the Group's contractual rights to receive cash flows from a financial asset expire, the financial asset is derecognized.

(13) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the average weighted method. The cost of finished goods and work in process comprises raw materials, direct labor, other direct costs, and manufacturing overheads attributable to production, allocated based on normal production capacity, but excludes borrowing costs. The assessment of cost versus net realizable value is conducted on an item-by-item basis. Net realizable value is defined as 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.

(14) Investments Accounted for Using the Equity Method – Associates

- a. Associates are entities over which the Group has significant influence but does not have control, generally when the Group directly or indirectly holds more than 20% of the voting rights. Investments in associates are accounted for using the equity method and are initially recognized at cost.
- b. Subsequent to the acquisition of an associate, the Group recognizes its share of the associate's profit or loss in the current profit or loss, and its share of the associate's other comprehensive income (loss) in other comprehensive income (loss). If the Group's share of losses of any associate equals or exceeds its equity interest in that associate (including any other unsecured receivables), the Group discontinues the recognition of further losses, unless it has incurred legal or constructive obligations, or has made payments on behalf of the associate.
- c. When an associate undergoes changes in equity arising from items other than profit or loss and other comprehensive income (loss), and such changes do not affect the Group's ownership interest in the associate, the Group recognizes, in proportion to its ownership percentage, its share of these equity changes as capital surplus.
- d. Unrealized gains and losses arising from transactions between the Group and its associates are eliminated to the extent of the Group's equity interest

in the associates. Unrealized losses are also eliminated unless there is evidence that the assets transferred in such transactions have been impaired. Where necessary, the accounting policies of the associates are adjusted to ensure consistency with those adopted by the Group.

- e. When the Group disposes of an associate and loses significant influence over that associate, all amounts previously recognized in other comprehensive income (loss) relating to that associate shall be accounted for on the same basis as if the Group had directly disposed of the related assets or liabilities. Specifically, if any gain or loss previously recognized in other comprehensive income (loss) would be reclassified to profit or loss upon the disposal of the related assets or liabilities, then, upon the loss of significant influence over the associate, such gain or loss shall be reclassified from equity to profit or loss. If the Group continues to retain significant influence over the associate, only the proportionate share of the amounts previously recognized in other comprehensive income (loss) shall be reclassified in accordance with the aforementioned method.

(15) Property, Plant and Equipment

- a. Property, plant, and equipment are stated at acquisition cost, with interest incurred during the construction period capitalized.
- b. Subsequent costs are included in the carrying amount of the asset or recognized as a separate asset only when it is probable that future economic benefits associated with the contents will flow to the Group and the cost of the contents can be measured reliably. The carrying amount of the replaced component shall be derecognized. All other repair and maintenance expenses are recognized in profit or loss as incurred.
- c. Subsequent measurement of property, plant and equipment is performed using the cost model. Land is not subject to depreciation, while all other assets are depreciated on a straight-line basis over their estimated useful lives. Where individual components of property, plant and equipment are significant, depreciation is allocated separately to each major component.
- d. The Group reviews the residual values, useful lives, and depreciation methods of each asset at the end of every financial year. If the expected residual values or useful lives differ from previous estimates, or if there is a significant change in the expected pattern of consumption of the future economic benefits embodied in the assets, such changes are accounted for as changes in accounting estimates in accordance with International

Accounting Standard No. 8, "Accounting Policies, Changes in Accounting Estimates and Errors," effective from the date the change occurs. The useful lives of the various assets are as follows:

Buildings and Construction	10 to 50 years
Machinery and Equipment	1 to 12 years
Transportation Equipment	1 to 6 years
Office Equipment	1 to 6 years
Leasehold Improvements	6 to 50 years

(16) Lessee lease transactions – right-of-use assets and lease liabilities

a. Lease assets are recognized as right-of-use assets and lease liabilities on the date they become available for use by the Group. For lease agreements classified as short-term leases or leases of low-value assets, lease payments are recognized as expenses on a straight-line basis over the lease term.

b. Lease liabilities are recognized at the present value of the outstanding lease payments as of the commencement date, discounted using the Group's incremental borrowing rate. Lease payments comprise fixed payments, net of any lease incentives receivable.

Subsequently, the interest method is applied, and measurement is based on amortized cost, with interest expense recognized over the lease term. When changes in the lease term or lease payments arise that are not attributable to contract modifications, the lease liability is reassessed, and the remeasured amount is adjusted against the right-of-use asset.

c. Right-of-use assets are recognized at cost on the commencement date of the lease, with such cost comprising the initial measurement amount of the lease liabilities.

Subsequent measurement is conducted using the cost model, with depreciation expense recognized over the shorter of the useful life of the right-of-use asset or the lease term. Upon remeasurement of lease liabilities, the carrying amount of the right-of-use asset is adjusted accordingly to reflect any corresponding remeasurement of the lease liabilities.

(17) Investment Properties

Investment property is initially recognized at acquisition cost and

subsequently measured using the cost model. Depreciation is provided on a straight-line basis over an estimated useful life of 50 years.

(18) Intangible Assets

Computer software and similar assets are recognized at acquisition cost and are amortized on a straight-line basis over their estimated useful lives, which range from 1 to 10 years.

(19) Impairment of Non-Financial Assets

At each balance sheet date, the Group evaluates its assets for any indications of impairment and estimates their recoverable amounts. If the recoverable amount of an asset is less than its carrying amount, an impairment loss is recognized. The recoverable amount is defined as the higher of an asset's fair value less costs of disposal and its value in use. Except for goodwill, if the circumstances that previously resulted in the recognition of an impairment loss no longer exist or have diminished, the previously recognized impairment loss shall be reversed. However, the increased carrying amount of the asset resulting from such a reversal shall not exceed the carrying amount, net of depreciation or amortization, that would have been determined had no impairment loss been recognized.

(20) Borrowings

This pertains to both long-term and short-term borrowings from banks. Upon initial recognition, the Group measures these borrowings at fair value, net of transaction costs. Thereafter, the difference between the amount net of transaction costs and the redemption value is amortized over the term of the borrowings using the effective interest method, with interest expense recognized in profit or loss.

(21) Accounts Payable

- a. Denotes liabilities arising from the purchase of raw materials, goods, or services on credit, as well as accounts payable resulting from both operating and non-operating activities.
- b. The Group measures short-term accounts payable with unpaid interest at their original invoice amounts, as the effect of discounting is immaterial.

(22) Convertible Bonds Payable

The convertible corporate bonds issued by the Group contain embedded

conversion rights (i.e., holders may elect to convert the bonds into the Group's ordinary shares at a fixed amount for a fixed number of shares), as well as put and call options. Upon initial issuance, the issue price is allocated among financial assets, financial liabilities, or equity ("Capital surplus – stock warrants") in accordance with the terms of issuance, and is accounted for as follows:

- a. Embedded put and call options: At initial recognition, the net fair value amount is recognized under "financial assets or liabilities at fair value through profit or loss." Subsequently, at each balance sheet date, these options are measured at fair value, with any resulting differences recognized as "gains or losses on financial assets (liabilities) at fair value through profit or loss."
- b. Master contract of corporate bonds: At initial recognition, corporate bonds are measured at fair value, with the difference between the fair value and the redemption value recognized as either a premium or discount on bonds payable. Thereafter, the effective interest method is applied, and the resulting amortization is recognized in profit or loss over the period of circulation as an adjustment to finance costs.
- c. Embedded conversion rights (qualifying as equity): At initial recognition, the residual amount remaining after deducting the aforementioned "financial assets or liabilities at fair value through profit or loss" and "bonds payable" from the issuance amount is recognized under "Capital Surplus – Stock Warrants." No subsequent remeasurement is performed.
- d. Any transaction costs directly attributable to the issuance shall be allocated to each component of liabilities and equity in proportion to the original carrying amount of each respective component, as described above.
- e. Upon conversion by the holder, the recorded liability components (including "bonds payable" and "financial assets or liabilities at fair value through profit or loss") are subsequently measured in accordance with their respective classifications. The aggregate carrying amounts of these liability components, together with the carrying amount of "capital surplus – stock warrants," are recognized as the issuance cost of the ordinary shares issued upon conversion.

(23) Derecognition of Financial Liabilities

The Group derecognizes a contract upon the fulfillment, cancellation, or expiration of the specified obligations, except when such obligations are recognized as liabilities.

(24) Employee Benefits

a. Short-term employee benefits

Short-term employee benefits are measured at the expected undiscounted amounts to be paid and are recognized as expenses in the period in which the related services are rendered.

b. Pension Plan

(i) Defined Contribution Plan

For defined contribution plans, the required retirement fund contributions for the period are recognized as pension costs on an accrual basis. Prepaid contributions are recognized as assets to the extent that they are refundable in cash or can be applied to reduce future contributions.

(ii) Defined Benefit Plans

A. The net obligation under a defined benefit plan is calculated by discounting the future benefit amounts accrued by employees for current or past service. This obligation is measured as the present value of the defined benefit obligation as of the balance sheet date, less the fair value of plan assets. The net defined benefit obligation is determined annually by an actuary using the projected unit credit method. The discount rate is based on the market yield of government bonds at the balance sheet date, with a currency and maturity consistent with those of the defined benefit plan.

B. Remeasurements arising from defined benefit plans are recognized in other comprehensive income (loss) in the period in which they occur and are subsequently presented within retained earnings.

c. Employee Remuneration and Director Remuneration

Employee compensation and director compensation are recognized as expenses and liabilities when a legal or constructive obligation exists and the amount can be reasonably estimated. Any difference between

the actual amount subsequently distributed and the previously estimated amount is recognized as a change in accounting estimate. Furthermore, when employee compensation is granted in the form of shares, the number of shares is determined based on the closing price on the day prior to the resolution of the Board of Directors.

(25) Income Tax

- a. Income tax expense comprises both current and deferred income tax. Income tax relating to items included in other comprehensive income or directly in equity is recognized separately in other comprehensive income or directly in equity, respectively. All other income tax is recognized in profit or loss.
- b. The Group calculates current income tax based on the tax rates that have been enacted or substantively enacted in each jurisdiction where it operates and generates taxable income as of the balance sheet date. Management regularly reviews the status of income tax filings in accordance with applicable income tax regulations and, where appropriate, estimates income tax liabilities based on the amounts expected to be paid to tax authorities. For the Company and its domestic subsidiaries, income tax on undistributed earnings, as stipulated by the Income Tax Act, is recognized as an income tax expense in the year following the year in which the earnings are generated, subsequent to the approval of the earnings distribution plan by the shareholders' meeting and based on the actual distribution of earnings.
- c. Deferred income tax is recognized using the balance sheet liability method, which is based on temporary differences between the tax bases of assets and liabilities and their carrying amounts as presented in the consolidated balance sheets. Deferred income tax liabilities arising from the initial recognition of goodwill are not recognized. Furthermore, deferred income tax is not recognized for temporary differences arising from the initial recognition of an asset or liability in a transaction (other than a business combination) that, at the time of the transaction, does not affect accounting profit or taxable income (tax loss), and does not give rise to equal taxable and deductible temporary differences. For temporary differences relating to investments in subsidiaries and associates, deferred income tax is not recognized if the Group is able to control the timing of the reversal of such temporary differences and it

is probable that these differences will not be reversed in the foreseeable future. Deferred income tax is measured at the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax assets are realized or the deferred income tax liabilities are settled.

- d. Deferred income tax assets are recognized to the extent that it is highly probable that temporary differences will be utilized to offset future taxable income. Both recognized and unrecognized deferred income tax assets are reassessed at each balance sheet date.

(26) Capital Stock

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new shares or share options are deducted from equity, net of income tax.

(27) Dividend Distribution

The distribution of cash dividends, in accordance with the amended Article 240 of the Company Act and the Company's Articles of Incorporation, is recognized as a liability in the financial statements upon a special resolution of the Board of Directors. The distribution of stock dividends is recognized as stock dividends to be distributed in the financial statements upon resolution by the shareholders' meeting and is reclassified as common stock on the record date of the new share issuance.

(28) Revenue Recognition

Sales of Goods

- a. The Group manufactures and sells electronic equipment, capacitors, and related products in the market. Sales revenue is recognized when control of the products is transferred to the customer, which occurs upon delivery of the products. At this point, the customer has discretion over the distribution channels and pricing of the products, and the Group has no remaining performance obligations that could affect the customer's acceptance of the products. When the products are shipped to the designated location, the risks of obsolescence and loss are transferred to the customer, who accepts the products in accordance with the sales contract, or when there is objective evidence that all acceptance criteria have been satisfied. Delivery of goods is deemed to have occurred at this point.
- b. Sales revenue is recognized at the net contract price, after deducting

estimated sales discounts. Sales discounts granted to customers are generally calculated based on the cumulative sales volume over a 12-month period. The Group estimates sales discounts using the expected value method, based on historical experience. Revenue is recognized only to the extent that it is highly probable that a significant reversal will not occur in the future, and such estimates are updated at each balance sheet date. As of the balance sheet date, estimated sales discounts payable to customers related to sales are recognized as refund liabilities.

- c. Accounts receivable are recognized upon delivery of goods to customers, as the Group obtains an unconditional right to receive contractual consideration at that time, with collection from the customer being dependent solely on the passage of time.

(29) Government Grants

Government grants are recognized at fair value when it is reasonably assured that the Group will comply with the conditions attached to the grants and that the grants will be received. If a government grant is intended to compensate the Group for expenses incurred, it is recognized in profit or loss on a systematic basis over the periods in which the related expenses are recognized. Government grants related to property, plant, and equipment are recognized as non-current liabilities and are credited to profit or loss on a straight-line basis over the estimated useful lives of the related assets.

(30) Operations Division

The Group discloses its operating segment information in a manner consistent with the internal management reports provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources to the operating segments and assessing their performance. The Board of Directors has been designated as the chief operating decision maker of the Group.

5. Major Sources of Significant Accounting Judgments, Estimates, and Uncertainties in Assumptions

In the preparation of these consolidated financial statements, the Group's management has exercised judgment in determining the accounting policies adopted and has made accounting estimates and assumptions based on reasonable expectations of future events as of the balance sheet date. The significant accounting

estimates and assumptions made may differ from actual results and are subject to continuous evaluation and adjustment in light of historical experience and other relevant factors. These estimates and assumptions involve risks that could result in material adjustments to the carrying amounts of assets and liabilities in the next financial year. Please refer to the following disclosures regarding significant accounting judgments, estimates, and uncertainties in assumptions.

(1) Significant Judgments in the Adoption of Accounting Policies

None.

(2) Significant Accounting Estimates and Assumptions

Fair Value Measurement of Financial Assets at Fair Value Through Profit or Loss and Through Other Comprehensive Income (loss) – Unlisted Equity Securities Without an Active Market

The unlisted (OTC) equity securities held by the Company that do not have an active market are measured at fair value by reference to the current fair value of other financial instruments with substantially similar terms and characteristics, the discounted cash flow method, or other valuation techniques, including models utilizing market information available as of the consolidated balance sheet date. Any changes in judgments or estimates may affect the measurement of their fair value. For further information regarding the fair value of financial instruments, please refer to Note 12(3).

As of December 31, 2024, the carrying amounts of unlisted (OTC) company shares without an active market, classified as financial assets measured at fair value through profit or loss and at fair value through other comprehensive income, were \$439,465 and \$172,512, respectively.

6. Explanation of Significant Accounting Policies

(1) Cash and cash equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on Hand	\$ 585	\$ 504
Bank Deposits	1,202,250	1,053,975
Time Deposits	472,764	670,876
Subtotal	<u>\$ 1,675,599</u>	<u>\$ 1,725,355</u>

a. The Group maintains relationships with financial institutions of high credit quality and conducts transactions with multiple banks to diversify credit risk. Accordingly, the probability of default is considered to be very low.

b. The Group has not pledged any cash or cash equivalents.

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

<u>Contents</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current Contents:		
Financial Assets Mandatorily Measured at Fair Value Through Profit or Loss		
Shares of Listed, OTC, and Emerging Stock Companies	\$ 317,944	\$ 281,433
Beneficiary Certificates	54,071	38,621
Convertible Corporate Bonds	<u>2,525</u>	<u>-</u>
Subtotal	374,540	320,054
Valuation Adjustment	<u>(31,870)</u>	<u>20,297</u>
Subtotal	<u>\$ 342,670</u>	<u>\$ 340,351</u>
Non-current Contents:		
Financial Assets Mandatorily Measured at Fair Value Through Profit or Loss		
Listed and OTC Company Shares	\$ 98,988	\$ 93,977
Shares of unlisted, OTC, and Emerging Stock Board companies	380,410	380,410
Beneficiary Certificates	<u>43,094</u>	<u>43,284</u>
Subtotal	522,492	517,671
Valuation Adjustment	<u>740</u>	<u>14,634</u>
Subtotal	<u>\$ 523,232</u>	<u>\$ 532,305</u>

a. The details of financial assets measured at fair value through profit or loss and recognized in profit or loss are as follows:

<u>Contents</u>	<u>Year 2024</u>	<u>Year 2023</u>
Financial assets mandatorily measured at fair value through profit or loss		
Equity Instruments	(\$ 42,948)	\$ 88,657
Debt Instruments	<u>1,445</u>	<u>2,276</u>
	<u>(\$ 41,503)</u>	<u>\$ 90,933</u>

b. The Group has not pledged any financial assets measured at fair value through profit or loss as collateral.

c. For detailed information regarding the price risk and fair value of financial assets measured at fair value through profit or loss, please refer to Note 12(2) and (3).

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

<u>Contents</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Non-current Contents:		
Equity Instruments		
Stocks of Unlisted, OTC, and Emerging Market Companies	\$ 178,741	\$ 173,576
Valuation Adjustment	(6,229)	(17,376)
Subtotal	<u>\$ 172,512</u>	<u>\$ 156,200</u>

a. The Group has elected to classify equity instruments held for strategic investment purposes as assets measured at fair value through other comprehensive income. As of December 31, 2024 and 2023, the fair values of these investments were \$172,512 and \$156,200, respectively.

b. In 2023, in order to adjust its investment plans, the Group disposed of equity investments with a fair value of \$0, resulting in a cumulative gain on disposal of \$304.

c. The details of financial assets measured at fair value through other comprehensive income, as recognized in profit or loss and other comprehensive income (loss), are as follows:

<u>Equity instruments measured at fair value through other comprehensive income (loss)</u>	<u>Year 2024</u>	<u>Year 2023</u>
Fair value changes recognized in other comprehensive income (losses)	<u>\$ 11,662</u>	<u>\$ 1,560</u>

d. The Group has not pledged any financial assets measured at fair value through other comprehensive income as collateral.

e. For detailed information regarding the price risk and fair value of financial assets measured at fair value through other comprehensive income (loss), please refer to Note 12(2) and 12(3).

(4) Financial assets measured at amortised cost

<u>Contents</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Time Deposits	\$ 414,198	\$ 182,972
Restricted Bank Deposits	75,406	-
Subtotal	<u>\$ 489,604</u>	<u>\$ 182,972</u>

a. Without consideration of any collateral held or other credit enhancements, the maximum exposure to credit risk represented by the Group's financial assets measured at amortized cost was \$489,604 and \$182,972 as of

December 31, 2024 and 2023, respectively.

- b. For further information regarding financial assets measured at amortized cost that have been pledged as collateral, please refer to Note 8.

(5) Notes and Accounts Receivable

a. Non-related Parties

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes Receivable	\$ 1,500	\$ 1,132
Less: Allowance for Losses	-	-
	<u>\$ 1,500</u>	<u>\$ 1,132</u>
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts Receivable	\$ 1,363,329	\$ 1,192,588
Less: Allowance for Losses	(832)	(785)
	<u>\$ 1,362,497</u>	<u>\$ 1,191,803</u>

- b. The aging analysis of notes and accounts receivable is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Not past due	\$ 1,331,609	\$ 1,170,291
Overdue within 30 days	28,019	16,916
31–90 days	4,369	4,569
Over 91 days	-	1,159
	<u>\$ 1,363,997</u>	<u>\$ 1,192,935</u>

The foregoing is an aging analysis compiled based on the number of days past due.

- c. As of December 31, 2024 and 2023, all accounts receivable and notes receivable of the Group originated from customer contracts. Furthermore, as of January 1, 2023, the balance of accounts receivable and notes receivable arising from customer contracts was \$1,332,788.
- d. Without consideration of any collateral or other credit enhancements, the amounts that most accurately represent the Group's maximum exposure to credit risk in respect of notes and accounts receivable as of December 31, 2024 and 2023 were \$1,363,997 and \$1,192,935, respectively.
- e. The Group does not hold any collateral.
- f. For detailed information on the credit risk associated with accounts receivable, please refer to Note 12(2).

(6) Inventories

		<u>December 31, 2024</u>	
	<u>Cost</u>	<u>Allowance for Decline</u>	<u>Carrying Amount</u>
		<u>in Market Value</u>	
Raw Materials	\$ 556,449	(\$ 47,070)	\$ 509,379
Work in progress	129,143	-	129,143
Finished Goods	776,320	(51,290)	725,030
Subtotal	<u>\$ 1,461,912</u>	<u>(\$ 98,360)</u>	<u>\$ 1,363,552</u>

		<u>December 31, 2023</u>	
	<u>Cost</u>	<u>Allowance for Decline</u>	<u>Carrying Amount</u>
		<u>in Market Value</u>	
Raw Materials	\$ 398,317	(\$ 38,855)	\$ 359,462
Work in progress	107,518	-	107,518
Finished Goods	656,301	(52,771)	603,530
Subtotal	<u>\$ 1,162,136</u>	<u>(\$ 91,626)</u>	<u>\$ 1,070,510</u>

Inventory costs recognized as expenses during the current period

	<u>Year 2024</u>	<u>Year 2023</u>
Cost of Goods Sold	\$ 2,727,926	\$ 2,610,012
Impairment loss	27,701	29,918
Cost of Goods Sold	<u>\$ 2,755,627</u>	<u>\$ 2,639,930</u>

(7) Investments accounted for under the equity method

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Affiliated Enterprises		
Sustainable Development Co., Ltd.	<u>\$ 36,756</u>	<u>\$ 53,675</u>

The Group's share of profit or loss of associates and joint ventures accounted for using the equity method for the years 2024 and 2023 is as follows:

	<u>Year 2024</u>	<u>Year 2023</u>
Affiliated Enterprises		
Sustainable Development Co., Ltd.	<u>(\$ 16,631)</u>	<u>(\$ 26,925)</u>

a. Affiliates

(i) The basic information of the Group's major related parties is as follows:

<u>Company Name</u>	<u>Principal Place of Business</u>	<u>Percentage of Common Stock Ownership</u>		<u>Nature of the Relationship</u>	<u>Measurement Method</u>
		<u>December 31, 2024</u>	<u>December 31, 2023</u>		
Sustainable Development Co., Ltd.	Taiwan	6.82%	7.88%	Financial Investments	Equity Method

Note: The Company serves as Chairman and exercises significant influence over the company.

(ii) The summarized financial information of the Group's major related parties is as follows:

Balance Sheet

	<u>Sustainable Development Co., Ltd.</u>	
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current assets	\$ 576,476	\$ 427,791
Non-current assets	406,644	678,813
Current liabilities	(295,420)	(225,505)
Non-current liabilities	(148,750)	(199,947)
Total Net Assets	<u>\$ 538,950</u>	<u>\$ 681,152</u>
Share of net assets of associates	\$ 36,756	\$ 53,675
Goodwill	-	-
Book Value of Subsidiaries and Affiliates	<u>\$ 36,756</u>	<u>\$ 53,675</u>

Consolidated Statement of Comprehensive Income

	<u>Sustainable Development Co., Ltd.</u>	
	<u>Year 2024</u>	<u>Year 2023</u>
Revenue	\$ 3,989	\$ 10,740
Net loss from continuing operations for the current period	<u>(\$ 239,488)</u>	<u>(\$ 239,283)</u>
Total Comprehensive Income (loss)	<u>(\$ 239,488)</u>	<u>(\$ 239,283)</u>
Dividends received from affiliated companies	<u>\$ -</u>	<u>\$ -</u>

b. In 2023, the Group's equity method investments were measured based on the financial statements audited by independent auditors appointed by the respective investee companies. For the year 2023, the Group recognized a share of loss and other comprehensive loss from associates totaling (\$26,925). As of December 31, 2023, the carrying amount of these equity method investments was \$53,675. No such transactions occurred in 2024.

c. The Group's investments accounted for under the equity method are not quoted in an active market.

(8) Property, Plant and Equipment

	<u>Land</u>	<u>Real Estate and Construction</u>	<u>Machinery and Equipment</u>	<u>Transportation Equipment</u>	<u>Other Equipment</u>	<u>Construction in Progress and Equipment Pending Inspection</u>	<u>Leasehold Improvements</u>	<u>Subtotal</u>
January 1, 2024								
Cost	\$ 272,770	\$ 919,082	\$ 2,098,611	\$ 31,059	\$ 377,933	\$ 419,199	\$ 80,160	\$ 4,198,814
Accumulated Depreciation	-	(260,986)	(1,465,385)	(25,129)	(279,126)	-	(18,248)	(2,048,874)
	<u>\$ 272,770</u>	<u>\$ 658,096</u>	<u>\$ 633,226</u>	<u>\$ 5,930</u>	<u>\$ 98,807</u>	<u>\$ 419,199</u>	<u>\$ 61,912</u>	<u>\$ 2,149,940</u>
<u>Year 2024</u>								
January 1	\$ 272,770	\$ 658,096	\$ 633,226	\$ 5,930	\$ 98,807	\$ 419,199	\$ 61,912	\$ 2,149,940
Add	-	-	71,753	529	9,749	93,395	450	175,876
Cost of Disposal	-	-	-	-	(477)	-	-	(477)
Disposal of Accumulated Depreciation	-	-	-	-	477	-	-	477
Reclassification	-	-	49,309	-	16,146	(19,684)	-	45,771
Depreciation Expense	-	(19,798)	(129,553)	(1,894)	(24,318)	-	(1,571)	(177,134)
Net exchange differences	<u>18,332</u>	<u>23,364</u>	<u>30,652</u>	<u>207</u>	<u>5,387</u>	<u>31,763</u>	<u>-</u>	<u>109,705</u>
December 31	<u>\$ 291,102</u>	<u>\$ 661,662</u>	<u>\$ 655,387</u>	<u>\$ 4,772</u>	<u>\$ 105,771</u>	<u>\$ 524,673</u>	<u>\$ 60,791</u>	<u>\$ 2,304,158</u>
December 31, 2024								
Cost	\$ 291,102	\$ 953,211	\$ 2,311,869	\$ 32,841	\$ 422,156	\$ 524,673	\$ 80,610	\$ 4,616,462
Accumulated Depreciation	-	(291,549)	(1,656,482)	(28,069)	(316,385)	-	(19,819)	(2,312,304)
	<u>\$ 291,102</u>	<u>\$ 661,662</u>	<u>\$ 655,387</u>	<u>\$ 4,772</u>	<u>\$ 105,771</u>	<u>\$ 524,673</u>	<u>\$ 60,791</u>	<u>\$ 2,304,158</u>

	<u>Land</u>	<u>Real Estate and Construction</u>	<u>Machinery and Equipment</u>	<u>Transportation Equipment</u>	<u>Other Equipment</u>	<u>Construction in Progress and Equipment Pending Inspection</u>	<u>Leasehold Improvements</u>	<u>Subtotal</u>
January 1, 2023								
Cost	\$ 206,753	\$ 918,949	\$ 1,954,269	\$ 28,498	\$ 310,278	\$ 265,996	\$ 80,160	\$ 3,764,903
Accumulated Depreciation	<u>-</u>	<u>(243,606)</u>	<u>(1,321,989)</u>	<u>(24,503)</u>	<u>(257,027)</u>	<u>-</u>	<u>(16,637)</u>	<u>(1,863,762)</u>
	<u>\$ 206,753</u>	<u>\$ 675,343</u>	<u>\$ 632,280</u>	<u>\$ 3,995</u>	<u>\$ 53,251</u>	<u>\$ 265,996</u>	<u>\$ 63,523</u>	<u>\$ 1,901,141</u>
<u>Year 2023</u>								
January 1	\$ 206,753	\$ 675,343	\$ 632,280	\$ 3,995	\$ 53,251	\$ 265,996	\$ 63,523	\$ 1,901,141
Add	64,174	3,481	78,168	1,919	52,641	157,525	-	357,908
Cost of Disposal	-	-	(11)	(850)	(172)	-	-	(1,033)
Disposal of Accumulated Depreciation	-	-	11	850	172	-	-	1,033
Reclassification	-	12,054	81,081	1,822	16,659	(6,676)	-	104,940
Recognition of Impairment Loss	-	(97)	(11,432)	-	(2,167)	-	-	(13,696)
Depreciation Expense	-	(20,851)	(139,873)	(1,773)	(20,903)	-	(1,610)	(185,010)
Net exchange differences	<u>1,843</u>	<u>(11,835)</u>	<u>(6,998)</u>	<u>(33)</u>	<u>(674)</u>	<u>2,354</u>	<u>-</u>	<u>(15,343)</u>
December 31	<u>\$ 272,770</u>	<u>\$ 658,095</u>	<u>\$ 633,226</u>	<u>\$ 5,930</u>	<u>\$ 98,807</u>	<u>\$ 419,199</u>	<u>\$ 61,913</u>	<u>\$ 2,149,940</u>
December 31, 2023								
Cost	\$ 272,770	\$ 918,985	\$ 2,087,179	\$ 31,059	\$ 375,766	\$ 419,199	\$ 80,160	\$ 4,185,118
Accumulated Depreciation	<u>-</u>	<u>(260,890)</u>	<u>(1,453,953)</u>	<u>(25,129)</u>	<u>(276,959)</u>	<u>-</u>	<u>(18,247)</u>	<u>(2,035,178)</u>
	<u>\$ 272,770</u>	<u>\$ 658,095</u>	<u>\$ 633,226</u>	<u>\$ 5,930</u>	<u>\$ 98,807</u>	<u>\$ 419,199</u>	<u>\$ 61,913</u>	<u>\$ 2,149,940</u>

- a. Amount of capitalized borrowing costs and range of capitalization interest rates for real estate, plant, and equipment:

	<u>Year 2024</u>	<u>Year 2023</u>
Capitalized Amount	\$ <u>7,305</u>	\$ <u>3,844</u>
Capitalization Rate Range	<u>5.34%</u>	<u>4.32%</u>

- b. For details regarding real estate, plant, and equipment pledged as collateral, please refer to the disclosures in Note 8.

(9) Lease Transactions – Lessee

- a. The assets leased by the Group comprise land, buildings, and structures, with lease terms generally ranging from 6 to 50 years. Each lease agreement is negotiated individually and contains specific terms and conditions. Except for the restriction that leased assets may not be used as collateral for borrowings, no additional limitations are imposed.
- b. The lease terms for software equipment and buildings leased by the Group are all 12 months or less.
- c. The carrying amounts of right-of-use assets and the related recognized depreciation expenses are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	<u>Carrying Amount</u>	<u>Carrying Amount</u>
Land	\$ 93,680	\$ 93,330
Building	264,970	271,462
	<u>\$ 358,650</u>	<u>\$ 364,792</u>

	<u>Year 2024</u>	<u>Year 2023</u>
	<u>Depreciation Expense</u>	<u>Depreciation Expense</u>
Land	\$ 2,888	\$ 2,850
Building	7,290	6,787
	<u>\$ 10,178</u>	<u>\$ 9,637</u>

- d. The Group recognized additions to right-of-use assets of \$801 for the year 2024 and \$0 for the year 2023.
- e. The information on profit or loss related to lease contracts is as follows:

	<u>Year 2024</u>	<u>Year 2023</u>
<u>Items Impacting Current Profit or Loss</u>		
Interest expense on lease liabilities	\$ <u>4,280</u>	\$ <u>4,315</u>
Expenses pertaining to short-term lease contracts	\$ <u>3,848</u>	\$ <u>6,789</u>

f. The Group's total cash outflows related to leases were \$14,833 for the year 2024 and \$17,070 for the year 2023.

(10) Investment Properties

	<u>Year 2024</u>	<u>Year 2023</u>
	<u>Real Estate and</u>	<u>Real Estate and</u>
	<u>Construction</u>	<u>Construction</u>
January 1		
Cost	\$ 90,268	\$ 91,954
Accumulated Depreciation	(14,045)	(12,469)
	<u>\$ 76,223</u>	<u>\$ 79,485</u>
January 1	\$ 76,223	\$ 79,485
Depreciation Expense	(1,858)	(1,834)
Net exchange differences	2,647	(1,428)
December 31	<u>\$ 77,012</u>	<u>\$ 76,223</u>
December 31		
Cost	\$ 93,415	\$ 90,268
Accumulated Depreciation	(16,403)	(14,045)
	<u>\$ 77,012</u>	<u>\$ 76,223</u>

a. Rental income and direct operating expenses of investment properties:

	<u>Year 2024</u>	<u>Year 2023</u>
Rental income generated from investment properties	<u>\$ 3,042</u>	<u>\$ 2,943</u>
Direct operating expenses arising from investment properties that generated rental income during the period	<u>\$ 1,858</u>	<u>\$ 1,834</u>

b. As of December 31, 2024 and 2023, the fair value of investment properties held by the Group amounted to \$97,180 and \$97,173, respectively. These fair values were not determined by independent appraisers but were assessed by the management of the consolidated entities with reference to market evidence of property transaction prices, and are classified as Level 3. fair value.

(11) Intangible Assets

	<u>Computer Software</u>	<u>Other Intangible Assets</u>	<u>Subtotal</u>
January 1, 2024			
Cost	\$ 8,687	\$ 93,639	\$ 102,326
Accumulated Amortization and Impairment	(4,853)	(25,860)	(30,713)
	<u>\$ 3,834</u>	<u>\$ 67,779</u>	<u>\$ 71,613</u>
<u>Year 2024</u>			
January 1	\$ 3,834	\$ 67,779	\$ 71,613
Add	1,995	-	1,995
Cost of Disposal	(428)	-	(428)
Disposals – Accumulated Amortization and Accumulated Impairment	428	-	428
Amortization expense	(1,729)	(9,660)	(11,389)
Net exchange differences	129	2,312	2,441
December 31	<u>\$ 4,229</u>	<u>\$ 60,431</u>	<u>\$ 64,660</u>
December 31, 2024			
Cost	\$ 10,575	\$ 96,903	\$ 107,478
Accumulated Amortization and Impairment	(6,345)	(36,473)	(42,818)
	<u>\$ 4,230</u>	<u>\$ 60,430</u>	<u>\$ 64,660</u>
	<u>Computer Software</u>	<u>Other Intangible Assets</u>	<u>Subtotal</u>
January 1, 2023			
Cost	\$ 10,727	\$ 84,784	\$ 95,511
Accumulated Amortization and Impairment	(5,253)	(16,957)	(22,210)
	<u>\$ 5,474</u>	<u>\$ 67,827</u>	<u>\$ 73,301</u>
<u>Year 2023</u>			
January 1	\$ 5,474	\$ 67,827	\$ 73,301
Add	507	10,509	11,016
Cost of Disposal	(1,967)	-	(1,967)
Disposals – Accumulated Amortization and Accumulated Impairment	1,967	-	1,967
Reclassification	(457)	-	(457)
Amortization expense	(1,671)	(9,361)	(11,032)
Net exchange differences	(19)	(1,196)	(1,215)
December 31	<u>\$ 3,834</u>	<u>\$ 67,779</u>	<u>\$ 71,613</u>
December 31, 2023			
Cost	\$ 8,687	\$ 93,639	\$ 102,326
Accumulated Amortization and Impairment	(4,853)	(25,860)	(30,713)
	<u>\$ 3,834</u>	<u>\$ 67,779</u>	<u>\$ 71,613</u>

The amortization of intangible assets is as follows:

	<u>Year 2024</u>	<u>Year 2023</u>
Operating Costs	\$ 126	\$ 124
Selling expenses	24	15
Administrative expenses	1,616	1,568
Research and Development Expenses	<u>9,623</u>	<u>9,325</u>
	<u>\$ 11,389</u>	<u>\$ 11,032</u>

(12) Short-term loans

<u>Nature of Borrowings</u>	<u>December 31, 2024</u>	<u>Interest Rate Range</u>	<u>Collateral</u>
Bank borrowings			
Credit Borrowings	\$ 1,670,000	1.8700%~2.1636%	None
Secured Borrowings	<u>190,000</u>	1.8413%~1.9750%	Note 8
	<u>\$ 1,860,000</u>		
<u>Nature of Borrowings</u>	<u>December 31, 2023</u>	<u>Interest Rate Range</u>	<u>Collateral</u>
Bank borrowings			
Credit Borrowings	\$ 1,687,000	0.5000%~1.8200%	None
Secured Borrowings	<u>28,000</u>	0.5000%	Guaranteed by the Small and Medium Enterprise Credit Guarantee Fund.
	<u>\$ 1,715,000</u>		

(13) Short-term bills payable

<u>Accepting Institution</u>	<u>December 31, 2024</u>	<u>Period</u>	<u>Interest Rate Range</u>	<u>Collateral</u>
Grand Cathay Securities	<u>\$ 80,000</u>	113/12/6-114/1/3	1.9600%	None

Note: As of December 31, 2023, the Group had no outstanding balance in short-term notes payable.

(14) Corporate Bonds Payable

1. Breakdown of Corporate Bonds Payable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Par Value	\$ -	\$ 700,000
Less: Redemption of corporate bonds payable	-	(700,000)
Less: Discount on corporate bonds	-	-
Less: Corporate bonds due within one year	-	-
Ending Balance	<u>\$ -</u>	<u>\$ -</u>

2. Components of Equity

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Original Issuance	\$ -	\$ 44,450
Redemption and Cancellation of Corporate Bonds	-	(44,450)
	<u>\$ -</u>	<u>\$ -</u>

The above equity components are presented under "Capital surplus – stock options" in the Contents.

3. Composition of Liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Original Issuance	\$ -	\$ 4,060
Valuation Adjustment of Financial Liabilities	-	(4,060)
	<u>\$ -</u>	<u>\$ -</u>

On July 10, 2018, the Company issued its fifth tranche of domestic unsecured convertible bonds with a total principal amount of \$700,000. Relevant information pertaining to these convertible bonds is presented in the consolidated financial statements as follows:

- a. Issuance Amount: Total issuance amount is NT\$700 million.
- b. Par value: NT\$100,000 per bond
- c. Issue Price: 100.5% of the par value
- d. Coupon Rate: 0%
- e. Bond term: Five years (July 10, 2018 to July 10, 2023)
- f. Conversion price: NT\$59.8 per share.
- g. Conversion Period Restriction: Bondholders may request the conversion of the bonds into the Company's common shares in accordance with the prescribed conversion procedures at any time from the day following three months after the issuance date of these convertible corporate bonds (October 11, 2018) until the maturity date, except during statutory book closure periods.
- h. Lock-up period: Three months from the date of issuance.

i. Bondholders' Put Option:

The third anniversary of the issuance of these bonds shall serve as the reference date for bondholders to exercise their right to require the Company to repurchase the convertible bonds. No later than forty days prior to the reference date, the Company shall deliver a "Put Option Exercise Notice" to bondholders by registered mail. Bondholders may, within forty days preceding the reference date, notify the Company's stock affairs agent in writing to request that the Company redeem their bonds in cash at 100.75% of the principal amount (representing an effective yield of 0.25%).

j. Redemption Right of the Company:

(i) Beginning on the day following three months after the issuance date (October 11, 2018) and continuing until forty days prior to the maturity date (May 31, 2023), if the closing price of the Company's common shares exceeds the then-applicable conversion price by 30% or more for thirty consecutive business days, the Company may, within thirty business days thereafter, redeem the convertible bonds in cash at their principal amount.

(ii)From the day following three months after the issuance date (October 11, 2018) until forty days prior to the maturity date (May 31, 2023), should the outstanding balance of the convertible bonds in circulation fall below 10% of the original total issuance amount, the Company may redeem the convertible bonds in cash.

k. Reset right: None.

(15) Long-term loans

<u>Nature of Borrowings</u>	<u>Repayment Period and Method</u>	<u>Interest Rate Range</u>	<u>December 31, 2024</u>
Long-term bank loans			
Credit Borrowings	Interest shall be paid monthly from December 5, 2023 to December 25, 2029, with the principal to be repaid in a single lump sum at maturity.	0.5000%~2.2000%	\$ 1,014,332
Secured Loans (Note)	Interest shall be paid on a monthly basis from January 25, 2024 to December 25, 2029, and the principal shall be repaid in a single lump sum upon maturity.	0.5000%	17,328
Secured Borrowings	The period extends from November 24, 2022 to November 23, 2027. Repayment of principal shall be made in 36 installments commencing on October 24, 2024, with interest payable on a monthly basis.	5.3400%	145,615
Less: Current portion of long-term borrowings due within one year or within one operating cycle			(314,205)
			<u>\$ 863,070</u>

Note: Secured by the Small and Medium Enterprise Credit Guarantee Fund.

<u>Nature of Borrowings</u>	<u>Repayment Period and Method</u>	<u>Interest Rate Range</u>	<u>December 31, 2023</u>
Long-term bank loans			
Credit Borrowings	Interest shall be paid monthly from December 5, 2022 to December 31, 2025, with the principal to be repaid in a single lump sum at maturity.	1.7376%~1.8000%	\$ 1,000,000
Secured Loans	The period extends from November 24, 2022 to November 23, 2027. Repayment of principal shall be made in 36 installments commencing on October 24, 2024, with interest payable on a monthly basis.	5.3400%	151,485
Less: Current portion of long-term borrowings due within one year or within one operating cycle			(15,040)
			<u>\$ 1,136,445</u>

For further information on the pledge of assets as collateral for bank borrowings, please refer to Note 8.

(16) Pension

- a.(i) The Company and its domestic subsidiaries have established a defined benefit retirement plan in accordance with the Labor Standards Act. This plan covers the years of service accrued by all regular employees prior to the implementation of the Labor Pension Act on July 1, 2005, as well as the subsequent years of service for those employees who,

after the implementation of the Labor Pension Act, have elected to remain subject to the Labor Standards Act. Pension payments for employees who meet the retirement eligibility requirements are calculated based on their years of service and the average salary for the six months immediately preceding retirement. For service of up to and including 15 years, two base units are granted for each full year of service; for service exceeding 15 years, one base unit is granted for each additional full year, with the total accumulation capped at a maximum of 45 base units. The Company makes monthly contributions equivalent to 2% of total salaries to the retirement fund, which is deposited in a dedicated account with Bank of Taiwan under the name of the Supervisory Committee of Labor Retirement Reserve. In addition, prior to the end of each fiscal year, the Company and its domestic subsidiaries assess the balance of the aforementioned labor retirement reserve account. Should the balance be insufficient to cover the estimated pension payments for employees expected to meet retirement criteria in the following year, as calculated above, the Company and its domestic subsidiaries will make a one-time contribution for the shortfall by the end of March of the following year.

In accordance with applicable local laws, Chinsan Thailand Co. is required to allocate a specified percentage of the total monthly salaries of its employees to a pension management institution. Furthermore, pursuant to labor regulations, the company is obligated to provide a prescribed severance payment to employees upon their retirement.

- (ii) The amounts recognized as assets and liabilities in the balance sheet are as follows.

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Present value of defined benefit obligations(\$	16,506)	(\$ 10,708)
Fair value of plan assets	10	1
Net defined benefit liabilities	<u>(\$ 16,496)</u>	<u>(\$ 10,707)</u>

(iii) The movements in net defined benefit liabilities are as follows:

	<u>Year 2024</u>		
	<u>Present Value of Defined Benefit Obligations</u>	<u>Fair Value of Plan Assets</u>	<u>Net Defined Benefit Liabilities</u>
January 1	(\$ 10,708)	\$ 1	(\$ 10,707)
Current Service Cost	(916)	-	(916)
Interest Income (Expense)	(343)	-	(343)
	<u>(11,967)</u>	<u>1</u>	<u>(11,966)</u>
Number of Reconsiderations:			
Demographic Assumptions			
Effects of Population			
Changes	(6)	-	(6)
Changes in Financial			
Assumptions Amount of			
Impact	(326)	-	(326)
Experience Adjustment	(58)	-	(58)
Other	(3,121)	-	(3,121)
	<u>(3,395)</u>	<u>-</u>	<u>(3,395)</u>
Provision for retirement			
benefits	-	9	9
Pension Payments	174	-	174
Exchange differences	(1,318)	-	(1,318)
December 31	<u>(\$ 16,506)</u>	<u>\$ 10</u>	<u>(\$ 16,496)</u>

	<u>Year 2023</u>		
	<u>Present Value of Defined Benefit Obligations</u>	<u>Fair Value of Plan Assets</u>	<u>Net Defined Benefit Liabilities</u>
January 1	(\$ 10,920)	\$ -	(\$ 10,920)
Interest Income (Expense)	(63)	-	(63)
	<u>(10,983)</u>	<u>-</u>	<u>(10,983)</u>
Number of Reconsiderations:			
Demographic Assumptions			
Effects of Population			
Changes	18	-	18
Changes in Financial			
Assumptions Amount of			
Impact	201	-	201
Experience Adjustment	(83)	-	(83)
	<u>136</u>	<u>-</u>	<u>136</u>
Provision for retirement			
benefits	-	1	1
Pension Payments	139	-	139
December 31	<u>(\$ 10,708)</u>	<u>\$ 1</u>	<u>(\$ 10,707)</u>

(iv) The assets of the Company's defined benefit retirement plan fund are managed by Bank of Taiwan in accordance with the proportions and amounts specified in the fund's annual investment plan, and within the scope of operations entrusted as stipulated in Article 6 of the Regulations for Income, Expenditure, Safekeeping, and Utilization of the Labor Retirement Fund (including deposits in domestic and foreign financial institutions, investments in domestic and foreign listed, OTC, or privately placed equity securities, and investments in securitized products of domestic and foreign real estate, among others). The utilization of these assets is supervised by the Labor Retirement Fund

Supervisory Committee. The minimum annual return allocated from the fund's operations shall not be less than the return calculated based on the local two-year fixed deposit interest rate; in the event of any shortfall, it shall be covered by the National Treasury upon approval by the competent authority. As the Company does not have the right to participate in the operation or management of the fund, it is unable to disclose the classification of the fair value of plan assets in accordance with Paragraph 142 of International Accounting Standard No. 19. For the fair value of the total assets constituting the fund as of December 31, year 2024 and 2023, please refer to the annual Labor Retirement Fund Utilization Report published by the government.

The defined benefit retirement plan assets of the subsidiary, Chinsan Thailand Co., are established in accordance with Chapter 11, Section 118 of the Thai Labor Protection Act and are classified as retirement benefit plans.

- (v) The actuarial assumptions related to pension plans are summarized as follows:

	<u>Year 2024</u>	<u>Year 2023</u>
Discount rate	<u>1.50%~2.50%</u>	<u>1.10%</u>
Projected Salary Growth Rate	<u>2.00%</u>	<u>2.00%</u>

Assumptions regarding future mortality rates are based on officially published statistics from various countries and empirical estimates.

The following analysis sets forth the impact of changes in key actuarial assumptions on the present value of defined benefit obligations:

	<u>Discount Rate</u>		<u>Projected Salary Increase Rate</u>	
	<u>Increased by</u>	<u>Decreased by</u>	<u>Increased by</u>	<u>Decreased by</u>
	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>
December 31, 2024				
Effect on the Present Value of Defined Benefit Obligations	(\$ 263)	\$ 272	\$ 300	(\$ 219)
December 31, 2023				
Effect on the Present Value of Defined Benefit Obligations	(\$ 46)	\$ 46	\$ 46	(\$ 45)

The foregoing sensitivity analysis is performed by assessing the impact of changes in a single assumption while all other assumptions are held constant. In practice, multiple assumptions may change in an interrelated manner. The methodology employed in this sensitivity

analysis is consistent with that used in the calculation of net pension liabilities in the statement of assets and liabilities.

The methods and assumptions adopted in the preparation of the sensitivity analysis for the current period are consistent with those utilized in the preceding period.

(vi) The Group expects to make a contribution of \$2,244 to the retirement plan in the year 2025.

(vii) As of December 31, 2024, the weighted average duration of the retirement plan was between 3 years and 7.93 years. The maturity analysis of pension payments is as follows:

Less than one year	\$	2,236
1 to 2 years		1,423
2 to 5 years		6,143
Over 5 years		9,689
	\$	<u>19,491</u>

b.(i) Effective July 1, 2005, the Company and its domestic subsidiaries have implemented a defined contribution retirement plan in accordance with the Labor Pension Act, applicable to employees who are nationals of the Republic of China. For employees who elect to participate in the labor pension system as prescribed by the Labor Pension Act, the Company and its domestic subsidiaries contribute 6% of the employee's monthly salary to individual pension accounts maintained by the Bureau of Labor Insurance. Pension benefits are distributed either as a monthly pension or as a lump-sum payment, based on the balance and accumulated earnings in each employee's individual pension account.

(ii) The subsidiaries in China—King Nichi Technology Guangzhou Co., Ltd., Guangzhou Kingtachi Electronic Co., Ltd., and Guangzhou Youmao Co., Ltd.—make monthly contributions to pension insurance in accordance with the pension insurance system mandated by the government of the People's Republic of China, at a fixed percentage of the total salaries of local employees. The contribution rate was 14% for both year 2024 and year 2023. Each employee's pension is managed and administered by the government, and apart from the monthly contributions, the Group has no further obligations.

(iii) For the years 2024 and 2023, the Group recognized pension expenses of \$45,174 and \$38,528, respectively, in accordance with the aforementioned pension plan.

(17) Capital Stock

As of December 31, 2024, the Company had authorized capital of \$3,000,000, divided into 300,000 thousand shares with a par value of \$10 per share. The paid-in capital was \$1,294,625. All proceeds from the Company's issued shares have been fully received. There were no changes in the total number of issued and outstanding shares during year 2024 and year 2023.

(18) Capital surplus

In accordance with the Company Act, capital surplus arising from the issuance of shares in excess of par value and from donations, in addition to being used to offset losses, may be distributed to shareholders as new shares or cash in proportion to their existing shareholdings, provided that the company has no accumulated losses. Furthermore, pursuant to the relevant provisions of the Securities and Exchange Act, when appropriating the aforementioned capital surplus to capital, the annual total shall not exceed 10% of the paid in capital. Capital surplus may not be used to offset capital losses unless the legal reserve is insufficient for such purpose.

(19) Retained earnings

- a. Pursuant to Article 240 of the Company Act, the Company authorizes the Board of Directors, with the attendance of at least two-thirds of the directors and the approval of a majority of those present, to distribute all or part of the dividends and bonuses to be allocated, or all or part of the legal reserve and capital surplus as stipulated in Article 241 of the Company Act, in the form of cash, and to report such distribution to the shareholders' meeting.

If a surplus is reported in the annual final accounts, it shall be allocated in the following order:

- (i) Payment of taxes.
- (ii) To offset accumulated losses from prior years.
- (iii) Ten percent of profits shall be appropriate to the legal reserve; however, this requirement shall not apply once the legal reserve equals the total capital of the Company.
- (iv) When necessary, the special reserve shall be appropriated or reversed in compliance with the relevant laws and regulations.
- (v) The remaining balance shall be combined with the undistributed earnings at the beginning of the period to constitute the accumulated

distributable earnings. The Board of Directors shall propose a distribution plan allocating not less than 20% of such earnings. However, if there is no profit for the year or if the Board of Directors considers the earnings to be insufficient, the Board of Directors may resolve not to distribute any earnings. In formulating the earnings distribution plan, the Board of Directors may include a portion of undistributed earnings from previous years for distribution, which shall be submitted to the shareholders' meeting for approval. If the distribution is to be effected by issuing new shares, such distribution shall be implemented only after approval by the shareholders' meeting.

- b. The legal reserve may be utilized solely to offset company losses or to distribute new shares or cash to shareholders in proportion to their existing shareholdings and shall not be used for any other purpose. However, the distribution of new shares or cash from the legal reserve shall be limited to the portion that exceeds 25 percent of the paid-in capital.
- c. The Company's dividend policy is established in accordance with its current and future development plans, taking into account factors such as the investment environment and capital requirements. Dividends may be distributed to shareholders in the form of cash or shares. Cash dividends shall comprise no less than 5% of the total dividends. However, if the cash dividend per share is less than one dollar, the entire dividend may be distributed in the form of stock dividends.
- d. In accordance with legal requirements, prior to any distribution of earnings, the Company must first appropriate a special reserve equal to the debit balance of other equity interests as of the balance sheet date of the current year. Thereafter, when the debit balance of other equity interests is reversed, the amount reversed may be included in distributable earnings.
- e. The appropriation of earnings for the years 2023 and 2022 was approved by the shareholders' meetings of the Company held on May 27, 2024 and May 31, 2023, respectively, as follows:

	<u>Year 2023</u>		<u>Year 2022</u>	
	<u>Amount</u>	<u>Dividend per Share (NTD)</u>	<u>Amount</u>	<u>Dividend per Share (NTD)</u>
Provision for Legal Reserve	\$ 8,750		\$ 10,745	
Appropriation (Reversal) of Special Reserve	26,957		(326,496)	
Cash Dividends	64,731	\$ 0.50	103,570	\$ 0.80

In addition, the shareholders' meetings of the Company held on May 27, 2024 and May 31, 2023, respectively approved the distribution of cash dividends totaling NT\$90,624 thousand from capital surplus (NT\$0.7 per share).

(20) Other equity interests

	<u>Year 2024</u>		<u>Total</u>
	<u>Unrealized Gains and Losses on Valuation</u>	<u>Foreign Currency Translation</u>	
January 1	(\$ 17,548)	(\$ 303,770)	(\$ 321,318)
Valuation Adjustment	11,662	-	11,662
Foreign currency translation differences	-	287,423	287,423
December 31	<u>(\$ 5,886)</u>	<u>(\$ 16,347)</u>	<u>(\$ 22,233)</u>

	<u>Year 2023</u>		<u>Total</u>
	<u>Unrealized Gains and Losses on Valuation</u>	<u>Foreign Currency Translation</u>	
January 1	(\$ 18,804)	(\$ 275,557)	(\$ 294,361)
Valuation Adjustment	1,560	-	1,560
Revaluation adjustment transferred to Retained Earnings	(304)	-	(304)
Foreign currency translation differences	-	(28,213)	(28,213)
December 31	<u>(\$ 17,548)</u>	<u>(\$ 303,770)</u>	<u>(\$ 321,318)</u>

(21) Operating Revenue

	<u>Year 2024</u>	<u>Year 2023</u>
Revenue from customer contracts	<u>\$ 3,430,181</u>	<u>\$ 3,193,488</u>

a. Disaggregation of Revenue from Customer Contracts

The Group recognizes revenue from the transfer of goods at specific points in time. Such revenue is further categorized into the following

principal product lines:

	<u>Year 2024</u>	<u>Year 2023</u>
	<u>Revenue from</u>	<u>Revenue from</u>
	<u>External Customers</u>	<u>External Customers</u>
Liquid Electrolytic Capacitor	\$ 2,578,647	\$ 2,408,765
Solid-state electrolytic capacitor	851,534	784,723
Contract Revenues	<u>\$ 3,430,181</u>	<u>\$ 3,193,488</u>

b. Contract Liabilities

(i) Revenue recognized during the current period from contract liabilities outstanding at the beginning of the period

	<u>Year 2024</u>	<u>Year 2023</u>
Contract Liabilities – Advance Payments	<u>\$ 33</u>	<u>\$ -</u>

(ii) The Group recognizes contract liabilities arising from customer contract revenue as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Contract Liabilities –			
Advances Received	<u>\$ 1,828</u>	<u>\$ 60</u>	<u>\$ -</u>

(22) Interest Income

	<u>Year 2024</u>	<u>Year 2023</u>
Interest income generated from bank deposits	<u>\$ 63,144</u>	<u>\$ 58,250</u>

(23) Other Income

	<u>Year 2024</u>	<u>Year 2023</u>
Dividend Income	\$ 12,091	\$ 19,650
Rental Income	3,636	2,939
Other Income	12,316	14,667
	<u>\$ 28,043</u>	<u>\$ 37,256</u>

(24) Other Income and Expenses

	<u>Year 2024</u>	<u>Year 2023</u>
(loss) or gain on financial assets measured at fair value through profit or loss	(\$ 41,503)	\$ 90,933
Foreign exchange gain	33,200	3,677
Gains on disposal of property, plant and equipment	59	48
Claims Revenue	-	13,508
Disaster Losses	-	(21,896)
Other Losses	(9,991)	(15,427)
	<u>(\$ 18,235)</u>	<u>\$ 70,843</u>

(25) Finance Costs

	<u>Year 2024</u>	<u>Year 2023</u>
Interest expense:		
Bank Borrowings	\$ 55,009	\$ 44,249
Straight Corporate Bonds	-	2,826
Lease Liabilities	4,280	4,315
	<u>\$ 59,289</u>	<u>\$ 51,390</u>

(26) Additional Information Regarding the Nature of Expenses

	<u>Year 2024</u>	<u>Year 2023</u>
Employee benefit expenses	\$ 750,542	\$ 700,523
Depreciation expense of property, plant and equipment	177,134	185,010
Depreciation expense on right-of-use assets	10,178	9,637
Amortization expense	19,954	23,055
Depreciation expense on investment property	1,858	1,834

(27) Employee benefit expenses

	<u>Year 2024</u>	<u>Year 2023</u>
Employee compensation expenses	\$ 624,841	\$ 586,548
Labor and health insurance expenses	28,819	30,271
Pension expense	46,433	38,591
Other employee expenses	50,449	45,113
	<u>\$ 750,542</u>	<u>\$ 700,523</u>

- a. In accordance with the Articles of Incorporation, if the Company generates a profit for the year, 1% to 5% of such profit shall be allocated as employee compensation, and up to 3% may be allocated as Director compensation. However, if there are accumulated losses, an amount sufficient to cover such losses shall first be set aside.
- b. The Company has accrued estimated employee remuneration of \$1,768 and \$1,651 for the years 2024 and 2023, respectively, as well as estimated director remuneration of \$3,536 and \$3,302 for the same periods. All of the aforementioned amounts have been recognized under salary expense accounts.

For the year 2024, employee remuneration and director remuneration were accrued at rates of 1.5% and 3%, respectively, based on the profit as of the end of the period. The Board of Directors resolved to distribute actual amounts of \$1,768 and \$3,536, with employee remuneration to be

paid in cash.

The employee and director remuneration for the year 2023, as approved by the Board of Directors, is consistent with the amounts recognized in the 2023 financial statements. Employee remuneration will be paid in cash.

Information regarding employee and director remuneration, as approved by the Board of Directors, has been disclosed on the Market Observation Post System.

(28) Income tax expense

a. Income Tax Expense

(i) Breakdown of income tax expense:

	<u>Year 2024</u>	<u>Year 2023</u>
Current Income Tax		
Current income tax expense	\$ 50,053	\$ 32,635
Understatement of income tax for prior years	6,351	4,441
Total current income tax expense	<u>56,404</u>	<u>37,076</u>
Deferred Income Tax:		
Origination and Reversal of Temporary Differences	2,704	4,133
Total Deferred Income Tax	<u>2,704</u>	<u>4,133</u>
Income tax expense	<u>\$ 59,108</u>	<u>\$ 41,209</u>

(ii) Income tax amounts pertaining to other comprehensive income (loss):

	<u>Year 2024</u>	<u>Year 2023</u>
Remeasurements of defined benefit obligations	<u>\$ 26</u>	<u>\$ 27</u>

b. Relationship Between Income Tax Expense and Accounting Profit

	<u>Year 2024</u>	<u>Year 2023</u>
Income tax calculated on pre-tax profit at the statutory tax rate	\$ 47,452	\$ 51,425
Income Tax Effects of Adjustments Made in Accordance with Tax Regulations	13,137	(27,481)
Deferred tax assets and liabilities related to temporary differences not recognized	(29,065)	2,347
Changes in the Assessment of the Recoverability of Deferred Income Tax Assets and Liabilities	21,233	7,764
Understatement of income tax in prior years	6,351	4,441
Income Tax Effects under the Alternative Minimum Tax System	-	2,713
Income tax expense	<u>\$ 59,108</u>	<u>\$ 41,209</u>

d. Deductible temporary differences not recognized as deferred income tax assets

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Deductible temporary differences	<u>\$ -</u>	<u>\$ 2,347</u>

e. The Company has not recognized deferred income tax liabilities in respect of taxable temporary differences arising from certain investments in subsidiaries. As of December 31, 2024 and 2023, the amounts of such temporary differences for which deferred income tax liabilities were not recognized were \$4,998,589 and \$4,620,348, respectively.

f. The Company's profit-seeking enterprise income tax has been examined and approved by the tax authorities through the year 2021.

(29) Earnings per Share

	<u>Amount After</u>	<u>Year 2024</u> <u>Weighted Average</u> <u>Number of Shares</u>	<u>Earnings Per</u>
	<u>Taxation</u>	<u>Outstanding (in</u> <u>Thousands)</u>	<u>Share (NTD)</u>
<u>Basic Earnings Per Share</u>			
Net profit for the period attributable to the ordinary shareholders of the parent company	\$ 77,429	129,463	\$ 0.60
<u>Diluted Earnings Per Share</u>			
Net income attributable to the parent company's ordinary shareholders	\$ 77,429	129,463	
Impact of Dilutive Potential Ordinary Shares			
-Employee Remuneration	-	85	
Net income attributable to the ordinary shareholders of the parent company, plus the impact of potential ordinary shares	\$ 77,429	129,548	\$ 0.60
		<u>Year 2023</u>	
		<u>Weighted Average</u>	
	<u>Amount After</u>	<u>Number of Shares</u>	<u>Earnings Per</u>
	<u>Taxation</u>	<u>Outstanding (in</u> <u>Thousands)</u>	<u>Share (NTD)</u>
<u>Basic Earnings Per Share</u>			
Net income attributable to the parent company's ordinary shareholders	\$ 92,670	129,463	\$ 0.72
<u>Diluted Earnings Per Share</u>			
Net income attributable to the parent company's ordinary shareholders	\$ 92,670	129,463	
Impact of Dilutive Potential Ordinary Shares			
-Employee Remuneration	-	55	
Net income attributable to ordinary	\$ 92,670	129,518	\$ 0.72

shareholders of the parent company for the current period, including the impact of potential ordinary shares

(30) Changes in Liabilities Arising from Financing Activities

	Year 2024						<u>Total Liabilities Arising from Financing Activities</u>
	<u>Short-term Borrowings</u>	<u>Short-Term Notes Payable</u>	<u>Bonds Payable</u>	<u>Long-term Loans</u>	<u>Deposit of Margin Guarantee</u>	<u>Lease Liabilities</u>	
	January 1	\$1,715,000	\$ -	\$ -	\$1,151,485	\$ 628		$ 307,057	$ 3,174,170
Changes in cash flows from financing activities	145,000	80,000	-	16,380	22	(10,985)	230,417
Effects of Exchange Rate Fluctuations	-	-	-	9,410	-	1,048	10,458
Interest expense	-	-	-	-	-	4,280	4,280
Additions during the Current Period	-	-	-	-	-	801	801
December 31	<u>\$1,860,000</u>	<u>\$ 80,000</u>	<u>\$ -</u>	<u>\$1,177,275</u>	<u>\$ 650</u>	<u>\$ 302,201</u>	<u>\$ 3,420,126</u>

	Year 2023						<u>Total Liabilities Arising from Financing Activities</u>
	<u>Short-term Borrowings</u>	<u>Short-Term Notes Payable</u>	<u>Payables to Related Parties</u>	<u>Long-term Loans</u>	<u>Deposit of Margin Guarantee</u>	<u>Lease Liabilities</u>	
	January 1	\$1,235,000	\$ 80,000	\$423,798	\$1,190,313	\$ 1,558		$ 313,588	$ 3,244,257
Changes in cash flows from financing activities	480,000	(80,000)	-	(39,413)	(915)	(10,281)	349,391
Effects of Exchange Rate Fluctuations	-	-	-	585	(15)	(565)	5
Repurchase of Corporate Bonds	-	-	(426,692)	-	-	-	(426,692)
Interest expense	-	-	2,826	-	-	4,315	7,141
Other	-	-	68	-	-	-	68
December 31	<u>\$1,715,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,151,485</u>	<u>\$ 628</u>	<u>\$ 307,057</u>	<u>\$ 3,174,170</u>

7. Related Party Transactions

(1) Names and Relationships of Related Parties

<u>Name of Related Party</u>	<u>Relationship with the Group</u>
Chinsan Tai-An Co., Ltd.	The Chairman of that company also serves as the Chairman of the Company.

(2) Significant Transactions with Related Parties

a. Margin deposit

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Jinshan Taian Co., Ltd.	<u>\$ 1,400</u>	<u>\$ 1,400</u>

b. Lease Transactions – Lessee

(i) The Group leases buildings from other related parties under lease agreements with a term of 50 years, with rent payable on a monthly basis.

(ii) Lease liabilities

A. Ending balance:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Jinshan Taian Co., Ltd.	<u>\$ 271,180</u>	<u>\$ 276,837</u>

B. Interest expense:

	<u>Year 2024</u>	<u>Year 2023</u>
Jinshan Taian Co., Ltd.	\$ 2,743	\$ 2,799

(3) Key Management Personnel Compensation Details

	<u>Year 2024</u>	<u>Year 2023</u>
Short-term employee benefits	\$ 15,315	\$ 16,760
Post-Retirement Benefits	319	316
Total	<u>\$ 15,634</u>	<u>\$ 17,076</u>

8. Pledged Assets

The details of the Group's assets pledged as collateral are as follows:

<u>Asset Accounts</u>	<u>Book Value</u>		<u>For the purpose of providing guarantees</u>
	<u>December 31, 2024</u>	<u>December 31, 2023</u>	
Property, Plant and Equipment	\$ 1,472,585	\$ 1,346,454	Comprehensive Borrowings, Credit Lines, and Acceptance Bill Guarantees Guarantees for Short-Term Borrowings and Bank Acceptances
Financial assets measured at amortised cost	489,604	182,972	
	<u>\$ 1,962,189</u>	<u>\$ 1,529,426</u>	

9. Significant Contingent Liabilities and Unrecognized Contractual Commitments

(1) As of December 31, 2024 and 2023, the outstanding amounts of unused letters of credit issued by the Company for the purchase of raw materials and machinery and equipment were \$0 and \$4,254, respectively.

(2) As of December 31, 2024, the Group had capital expenditures of \$86,238 that had been contracted but not yet paid.

10. Significant Losses from Disasters

On January 5, 2023, a fire occurred on the third floor of Plant 1 at Chinsan Thailand Co., a subsidiary of the Company, resulting in damage to certain inventories, plant facilities, and production equipment. The estimated loss, including related cleanup costs, amounted to \$30,102, and this amount has been fully recognized under other gains and losses for the year 2023. The Company has secured relevant property insurance; however, as the insurance claim is subject to disaster assessment, the total amount of insurance compensation has not yet been fully determined. As of December 31, 2023, the Company had received insurance compensation of \$13,508, which has been recorded under other gains and losses.

11. Material Subsequent Events

On March 25, 2025, the Board of Directors of the Company proposed the following

allocation of earnings for the year 2024:

	<u>Year 2024</u>	
	<u>Amount</u>	<u>Dividend per Share (NTD)</u>
Provision for Legal Reserve	\$ 7,391	
Reversal of Special Reserve	(299,085)	
Cash Dividends	181,248	\$ 1.40

In addition, on March 25, 2025, the Board of Directors resolved to distribute cash dividends in the amount of NT\$12,946 thousand from capital surplus, representing NT\$0.1 per share.

12. Other

(1) Capital Management

The Group's objectives for capital management are to ensure its continued viability as a going concern, to maintain an optimal capital structure that minimizes the cost of capital, and to provide returns to shareholders. To maintain or adjust its capital structure, the Group may adjust the amount of dividends distributed to shareholders, issue new shares, or dispose of assets to reduce debt. The Group monitors its capital using the net debt-to-capital ratio, which is calculated by dividing net debt by total capital. Net debt is defined as total borrowings (including "current and non-current borrowings" as presented in the Consolidated Balance Sheets) less cash and cash equivalents. Total capital is defined as "equity" as reported in the Consolidated Balance Sheets plus net debt.

The Group's strategy for the year 2024 remains aligned with that of 2023, with comprehensive consideration given to the operating environment, stage of development, funding requirements for major future investment plans, and long-term financial planning.

As of December 31, 2024 and 2023, the Group's debt-to-equity ratios were as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Total Borrowings	\$ 3,117,275	\$ 2,866,485
Less: Cash and cash equivalents	<u>(1,675,599)</u>	<u>(1,725,355)</u>
Net Debt	1,441,676	1,141,130
Total equity	<u>4,138,935</u>	<u>3,907,950</u>
Total Capital	<u>\$ 5,580,611</u>	<u>\$ 5,049,080</u>
Liabilities-to-capital ratio	<u>25.83%</u>	<u>22.60%</u>

(2) Financial Instruments

a. Types 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 Mandatorily Measured at Fair Value Through Profit or Loss	\$ 865,902	\$ 872,656
Financial assets measured at fair value through other comprehensive income (loss)		
Selection of Designated Equity Instrument Investments	172,512	156,200
Financial Assets Measured at Amortized Cost		
Cash and Cash Equivalents	1,675,599	1,725,355
Financial assets measured at amortised cost	489,604	182,972
Notes Receivable	1,500	1,132
Accounts Receivable	1,362,497	1,191,803
Other Receivables	25,417	31,783
Guarantee Deposits	<u>2,150</u>	<u>2,896</u>
	<u>\$ 4,595,181</u>	<u>\$ 4,164,797</u>
<u>Financial liabilities</u>		
Financial liabilities measured at amortized cost		
Short-term Borrowings	\$ 1,860,000	\$ 1,715,000
Short-Term Notes Payable	80,000	-
Notes Payable	566,255	372,956
Accounts Payable	553,866	463,261
Other Payables	133,613	135,273
Long-term borrowings (including portions due within one year or within one operating cycle)	1,177,275	1,151,485
Margin Deposits	650	628
	<u>\$ 4,371,659</u>	<u>\$ 3,838,603</u>
Lease Liabilities	<u>\$ 302,201</u>	<u>\$ 307,057</u>

b. Risk Management Policy

- (i) The Group is subject to various financial risks in its day-to-day operations, including market risk (comprising exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk.
- (ii) Risk management is carried out by the Group's Finance Department in accordance with policies approved by the Board of Directors. The Finance Department collaborates closely with each operating unit

within the Group to identify, assess, and mitigate financial risks. The Board of Directors has established written principles governing overall risk management and has issued written policies addressing specific areas and matters, including foreign exchange risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investment of surplus liquidity.

c. Nature and Scope of Major Financial Risks

(i) Market Risk

Exchange Rate Risk

A. The Group operates on a multinational basis and is therefore exposed to exchange rate risks arising from transactions denominated in currencies other than the functional currencies of the Company and its subsidiaries, which are primarily US dollars, Hong Kong dollars, and Renminbi. Such exchange rate risks mainly originate from recognized assets and liabilities.

B. The Group holds investments in certain foreign operating entities, and the net assets of these entities are subject to foreign currency translation risk. Exchange rate risk arises from the net assets of the Group's foreign operating entities.

C. The Group engages in business activities involving several non-functional currencies. While the functional currency of the Company and certain subsidiaries is the New Taiwan Dollar, other subsidiaries use the US Dollar, Renminbi, or Thai Baht as their functional currencies. Consequently, the Group is exposed to exchange rate fluctuations. The following information presents the foreign currency assets and liabilities that are significantly affected by material exchange rate fluctuations:

	<u>Foreign Currencies</u> (in Thousands)	<u>December 31, 2024</u>	
		<u>Exchange Rates</u>	<u>Carrying Amount</u> (NTD)
(Foreign Currency: Functional Currency)			
<u>Financial Assets</u>			
<u>Monetary Items</u>			
USD: NTD	\$ 71,139	32.785	\$ 2,332,292
EUR: NTD	3,000	34.140	102,420
JPY: NTD	116,744	0.210	24,516
USD: RMB	26,599	7.321	871,995
USD: THB	243	34.069	7,964
RMB: USD	2,162	4.492	9,712
USD: HKD	9,264	7.765	303,711
RMB: HKD	20,266	1.061	90,792
<u>Non-monetary items</u>			
RMB: HKD	462,098	4.480	2,070,197

RMB: USD	59,728	4.492	268,300
THB: NTD	965,886	0.962	929,182
USD: NTD	73,290	32.785	2,402,803
HKD: NTD	543,866	4.222	2,296,201
HKD: USD	40,033	0.129	169,299
KHR: USD	5,170,625	0.00025	41,365
<u>Financial Liabilities</u>			
<u>Monetary Items</u>			
USD: NTD	69,228	32.785	2,269,640
USD: THB	4,008	34.069	131,358
USD: RMB	1,234	7.321	40,454

		<u>December 31, 2023</u>	
<u>Foreign Currencies</u> (in Thousands)		<u>Exchange Rates</u>	<u>Carrying Amount</u> (NTD)
(Foreign Currency: Functional Currency)			
<u>Financial Assets</u>			
<u>Monetary Items</u>			
USD: NTD	\$ 59,318	30.705	\$ 1,821,359
EUR: NTD	1,996	33.980	67,824
JPY: NTD	257,179	0.217	55,808
USD: RMB	17,466	7.096	536,290
USD: THB	983	34.052	30,183
RMB: USD	2,162	0.141	9,360
KRW: USD	65,926	0.001	2,044
USD: HKD	16,759	7.815	514,587
RMB: HKD	25,751	1.101	111,425
<u>Non-monetary items</u>			
RMB: HKD	383,682	4.327	1,660,192
RMB: USD	46,273	4.329	200,314
THB: NTD	770,962	0.902	695,408
USD: NTD	74,824	30.705	2,297,441
HKD: NTD	596,320	3.929	2,342,943
HKD: USD	36,919	0.128	145,093
KHR: USD	2,667,125	0.00024	21,337
<u>Financial Liabilities</u>			
<u>Monetary Items</u>			
USD: NTD	66,114	30.705	2,030,030
USD: THB	9,933	34.052	304,992
USD: RMB	1,066	7.096	32,732
RMB: THB	193	4.799	835

- D. The Group recognized total exchange gains (including both realized and unrealized) arising from significant exchange rate fluctuations affecting monetary items, amounting to \$33,200 and \$3,677 for the years 2024 and 2023, respectively.
- E. The Group's analysis of foreign currency market risk arising from significant exchange rate fluctuations is as follows:

		<u>Year 2024</u>		
		<u>Sensitivity Analysis</u>		
		<u>Scope of</u>	<u>Impact on Profit</u>	<u>Impact Other</u>
		<u>Changes</u>	<u>or Loss</u>	<u>Comprehensive</u>
				<u>Profit and Loss</u>
(Foreign Currency: Functional Currency)				
<u>Financial Assets</u>				
<u>Monetary Items</u>				
USD: NTD	1%	\$	18,658	\$ -
EUR: NTD	1%		819	-
JPY: NTD	1%		196	-
USD: RMB	1%		6,976	-
USD: THB	1%		64	-
RMB: USD	1%		78	-
USD: HKD	1%		2,430	-
RMB: HKD	1%		726	-
<u>Financial Liabilities</u>				
<u>Monetary Items</u>				
USD: NTD	1%	\$	18,157	\$ -
USD: THB	1%		1,051	-
USD: RMB	1%		324	-

		<u>Year 2023</u>		
		<u>Sensitivity Analysis</u>		
		<u>Scope of</u>	<u>Impact on Profit</u>	<u>Impact Other</u>
		<u>Changes</u>	<u>or Loss</u>	<u>Comprehensive</u>
				<u>Profit and Loss</u>
(Foreign Currency: Functional Currency)				
<u>Financial Assets</u>				
<u>Monetary Items</u>				
USD: NTD	1%	\$	14,571	\$ -
EUR: NTD	1%		543	-
JPY: NTD	1%		446	-
USD: RMB	1%		4,290	-
USD: THB	1%		241	-
RMB: USD	1%		75	-
KRW: USD	1%		16	-
USD: HKD	1%		4,117	-
RMB: HKD	1%		891	-
<u>Financial Liabilities</u>				
<u>Monetary Items</u>				
USD: NTD	1%	\$	16,240	\$ -
USD: THB	1%		2,440	-
USD: RMB	1%		262	-
RMB: THB	1%		7	-

Price Risk

- A. The Group is exposed to price risk arising from financial instruments, specifically financial assets measured at fair value through profit or loss and financial assets measured at fair value

through other comprehensive income. To manage the price risk associated with its investments in financial instruments, the Group diversifies its investment portfolio in accordance with the limits established by the Group.

- B. The Group primarily invests in equity instruments and beneficiary certificates listed on domestic and foreign stock exchanges, as well as over-the-counter markets. The prices of these financial instruments are subject to fluctuations arising from uncertainties regarding the future value of the underlying investments. If the prices of these financial instruments were to increase or decrease by 5%, with all other variables held constant, the pre-tax net profit for year 2024 and year 2023 would correspondingly increase or decrease by \$20,330 and \$19,837, respectively, as a result of gains or losses from investments measured at fair value through profit or loss.

Cash Flow and Fair Value Interest Rate Risk

- A. The Group is exposed to interest rate risk arising from both short-term and long-term borrowings. Borrowings with floating interest rates subject the Group to cash flow interest rate risk, which is partially offset by holding cash and cash equivalents at floating interest rates. In 2024 and 2023, the Group's borrowings at floating interest rates were denominated in New Taiwan Dollars and Thai Baht.
- B. If the borrowing interest rates for the New Taiwan Dollar and Thai Baht were to increase or decrease by 0.1%, with all other factors remaining unchanged, pre-tax net profit for year 2024 and year 2023 would decrease or increase by \$3,117 and \$2,867, respectively. This is primarily attributable to changes in interest expense resulting from floating rate borrowings.

(ii) Credit Risk

- A. Credit risk for the Group refers to the risk of financial loss arising from customers or counterparties to financial instruments failing to fulfill their contractual obligations. This risk primarily arises when counterparties are unable to settle accounts receivable in accordance with the agreed payment terms, or when the contractual cash flows of financial assets measured at amortized cost are not received.
- B. The Group manages credit risk on a group-wide basis, accepting only banks and financial institutions with strong credit ratings as counterparties. In accordance with the Group's internal credit

policy, each operating entity is required to conduct management and credit risk analysis for every new customer prior to determining payment and delivery terms. Internal risk controls are implemented by assessing the customer's credit quality, taking into account their financial condition, historical experience, and other relevant factors. Individual risk limits are established by the Directors based on internal or external ratings, and the utilization of these credit limits is subject to regular monitoring.

C. In accordance with the assumptions prescribed by IFRS 9, the Group deems contract payments that are overdue by more than 90 days pursuant to the agreed payment terms to be in default.

D. The Group adopts the following underlying assumptions in accordance with IFRS 9 as the basis for determining whether there has been a significant increase in the credit risk of financial instruments since initial recognition:

When contractual payments are more than 30 days past due in accordance with the agreed payment terms, the credit risk of the financial asset is deemed to have increased significantly since initial recognition.

E. The Group classifies accounts receivable from customers according to the characteristics of customer credit ratings and adopts a simplified approach to estimate expected credit losses, utilizing a provision matrix and corresponding loss rates.

F. Upon completion of recourse procedures, the Group writes off financial assets that are not reasonably expected to be recoverable. Nevertheless, the Group will continue to pursue legal actions to safeguard its creditor rights.

G. The indicators adopted by the Group to determine whether debt instrument investments are credit-impaired are as follows:

(a) The issuer is experiencing significant financial difficulties, or the probability of bankruptcy or other financial restructuring has increased substantially.

(b) Delay or default by the issuer in the payment of interest or principal;

(c) Adverse changes in national or regional economic conditions that may lead to the issuer's default.

H. The Group estimates the allowance for losses on notes receivable and accounts receivable by incorporating forward-looking factors and adjusting loss rates, which are established based on historical and current information over specified periods. The provision matrices as of December 31, 2024 and 2023 are as follows:

<u>December 31, 2024</u>			
<u>Notes Receivable and Accounts Receivable</u>	<u>Expected Loss Rate</u>	<u>Total Carrying Amount</u>	<u>Allowance for Losses</u>
Not past due	0.0006%	\$ 1,331,684	\$ 75
Overdue			
Within 30 days	0.03%	28,026	7
31–90 days	0.06%~0.25%	4,380	11
91–180 days	0.32%~100%	739	739
		<u>\$ 1,364,829</u>	<u>\$ 832</u>
<u>December 31, 2023</u>			
<u>Notes Receivable and Accounts Receivable</u>	<u>Expected Loss Rate</u>	<u>Total Carrying Amount</u>	<u>Allowance for Losses</u>
Not past due	0.0007%	\$ 1,170,356	\$ 65
Overdue			
Within 30 days	0.08%	16,929	13
31–90 days	0.33%	4,584	15
91–180 days	33.39%	1,851	692
		<u>\$ 1,193,720</u>	<u>\$ 785</u>

I. The following table sets forth the movements in the allowance for losses on notes receivable and accounts receivable under the simplified approach adopted by the Group:

	<u>Year 2024</u>	<u>Year 2023</u>
	<u>Notes receivable and Accounts Receivable</u>	<u>Notes receivable and Accounts Receivable</u>
January 1	\$ 785	\$ 788
Reversal of impairment losses	(1)	(473)
Impact of Exchange Rates	48	5
Other	-	465
December 31	<u>\$ 832</u>	<u>\$ 785</u>

(iii) Liquidity Risk

A. Each operating entity within the Group prepares its respective cash flow forecasts, which are subsequently consolidated by the Group's Finance Department. The Finance Department continuously monitors the Group's projected liquidity requirements to ensure that sufficient funds are available to meet operational needs and that adequate undrawn borrowing facilities are maintained at all times. This approach ensures the availability of cash and cash equivalents, highly liquid securities, and sufficient bank financing facilities necessary for operations, thereby maintaining the Group's financial flexibility.

B. The details of the Group's unused credit facilities are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Floating interest rate		
Due within one year	\$ 786,529	\$ 889,301
Due after one year	484,134	378,854
	<u>\$ 1,270,663</u>	<u>\$ 1,268,155</u>

C. The table below presents the Group's non-derivative financial liabilities, classified according to their respective maturities. These non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to their contractual maturity dates. The contractual cash flow amounts disclosed in the table are stated at their undiscounted values.

Non-derivative financial liabilities:

December 31, 2024	<u>Due within 1 year</u>	<u>Within 1 to 2 years</u>	<u>Within two to five years</u>	<u>Over five years</u>	<u>Subtotal</u>
Short-term Loans	\$1,860,000	\$ -	\$ -	\$ -	\$ 1,860,000
Short-term Bills Payable	80,000	-	-	-	80,000
Notes Payable	566,255	-	-	-	566,255
Accounts Payable	553,866	-	-	-	553,866
Other Payables	133,613	-	-	-	133,613
Lease liabilities (including current and non-current portions)	10,809	10,512	31,702	324,901	377,924
Long-term borrowings (including current portions due within one year)	314,205	824,205	38,865	-	1,177,275

Non-derivative financial liabilities:

December 31, 2023	<u>Due within 1 year</u>	<u>Within 1 to 2 years</u>	<u>Within two to five years</u>	<u>Over five years</u>	<u>Subtotal</u>
Short-term Loans	\$1,715,000	\$ -	\$ -	\$ -	\$ 1,715,000
Notes Payable	372,956	-	-	-	372,956
Accounts Payable	463,261	-	-	-	463,261
Other Payables	135,273	-	-	-	135,273
Lease liabilities (including current and non-current portions)	10,407	10,437	31,312	334,185	386,341
Long-term Loans (Including Current Portion Due Within One Year)	15,040	1,136,445	-	-	1,151,485

(3) Fair Value Information

- a. The definitions of each level of valuation techniques applied in measuring the fair value of financial and non-financial instruments are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that are available to the Group as of the measurement date. An active market is defined as one in which transactions for assets or liabilities occur with sufficient frequency and volume to provide ongoing pricing information. The fair value of listed stocks and beneficiary certificates invested in by the Group falls within this category.

Level 2: Inputs, other than quoted prices included within Level 1, that are observable assets or liabilities, either directly or indirectly.

Level 3: Unobservable inputs for assets or liabilities. The Group's investments in equity instruments and beneficiary certificates that do not have an active market are classified within this category.

- b. For detailed information regarding the fair value of investment property measured at cost, please refer to Note 6(10).
- c. The carrying amounts of financial instruments not measured at fair value—including cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, short-term notes payable, accounts payable, other payables, lease liabilities, corporate bonds payable, and long-term borrowings—are reasonable approximations of their respective fair values.
- d. For financial instruments measured at fair value, the Group classifies these instruments based on the nature, characteristics, and risks of the related assets and liabilities, as well as the levels within the fair value hierarchy. Relevant information is disclosed as follows:

(i) The Group classifies assets and liabilities according to their nature. Relevant information is presented as follows:

December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Subtotal</u>
Assets				
<u>Recurring Fair Value</u>				
<u>Measurement</u>				
Financial assets at fair value through profit or loss—				
Shares of Listed, OTC, and Emerging Stock Companies	\$ 342,248	\$ -	\$ -	\$ 342,248
Beneficiary Certificates	61,909	-	19,842	81,751
Debt Securities	2,438	-	-	2,438
Shares of unlisted and emerging market companies	<u>-</u>	<u>-</u>	<u>439,465</u>	<u>439,465</u>
Financial assets at fair value through other comprehensive income (losses) –				
Shares of unlisted and emerging market companies	-	-	172,512	172,512
Subtotal	<u>\$ 406,595</u>	<u>\$ -</u>	<u>\$ 631,819</u>	<u>\$ 1,038,414</u>
December 31, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Subtotal</u>
Assets				
<u>Recurring Fair Value</u>				
<u>Measurement</u>				
Financial assets at fair value through profit or loss—				
Shares of Listed, OTC, and Emerging Stock Companies	\$ 338,744	\$ -	\$ -	\$ 338,744
Beneficiary Certificates	58,004	-	18,857	76,861
Shares of unlisted and emerging market companies	<u>-</u>	<u>-</u>	<u>457,051</u>	<u>457,051</u>
Financial assets at fair value through other comprehensive income (losses) –				
Shares of unlisted and emerging market companies	-	-	156,200	156,200
Subtotal	<u>\$ 396,748</u>	<u>\$ -</u>	<u>\$ 632,108</u>	<u>\$ 1,028,856</u>

(ii) The methods and assumptions employed by the Group in the measurement of fair value are set out as follows:

A. The Group utilizes quoted market prices as Level 1 fair value inputs, categorized according to the characteristics of the respective instruments as follows:

	<u>Listed Company Stocks,</u> <u>OTC Company Stocks,</u> <u>and Emerging Market</u> <u>Stocks</u>	<u>Beneficiary</u> <u>Certificate</u> <u>Net Worth</u>	<u>Convertible Bonds</u> <u>Closing Price</u>
Market Quotation	Closing Price	Net Worth	Closing Price

B. Except for the aforementioned financial instruments with an active market, the fair value of all other financial instruments is

determined using valuation techniques or by reference to quotations provided by counterparties.

Fair value may be determined by reference to the current fair value of other financial instruments with substantially similar terms and characteristics, the discounted cash flow method, or other valuation techniques, including models utilizing market information available as of the consolidated balance sheet date.

- C. The outputs of valuation models represent estimated values, and such valuation techniques may not fully reflect all relevant factors associated with the financial and non-financial instruments held by the Group. Therefore, management makes appropriate adjustments to the estimated values derived from these models based on additional parameters, including model risk and liquidity risk. In accordance with the Group's fair value valuation model management policies and related control procedures, management considers these valuation adjustments both appropriate and necessary to fairly present the fair value of financial and non-financial instruments in the Consolidated Balance Sheets. The price information and parameters used in the valuation process are prudently assessed and appropriately adjusted to reflect prevailing market conditions.
- D. The Group incorporates credit risk valuation adjustments into the fair value measurement of both financial and non-financial instruments to separately reflect counterparty credit risk and the Group's own credit quality.

- e. There were no transfers between Level 1 and Level 2 during the years 2024 or 2023.
- f. The table below sets forth the changes in Level 3 for the years 2024 and 2023:

	<u>Year 2024</u>	<u>Year 2023</u>
	<u>Non-derivative Equity</u>	<u>Non-derivative Equity</u>
	<u>Instruments</u>	<u>Instruments</u>
January 1	\$ 632,108	\$ 637,406
Purchases for the current period	-	410
Gains recognized in profit or loss for the current period	(16,612)	(668)
Profit or loss recognized in other comprehensive income	11,662	1,560
Impact of Exchange Rates	5,309	(2,815)
Other	<u>(648)</u>	<u>(3,785)</u>
December 31	<u>\$ 631,819</u>	<u>\$ 632,108</u>

- g. The Group's valuation process for fair value measurements classified as Level 3 is managed by the Finance Department, which is responsible for the independent verification of the fair value of financial instruments. Independent source data is utilized to ensure that the valuation results accurately reflect prevailing market conditions, with confirmation that such data sources are independent, reliable, consistent with other sources, and represent executable prices. Valuation models are regularly calibrated, and the inputs and data required for these models, as well as any other necessary fair value adjustments, are periodically updated to ensure that the valuation results are reasonable.

h. The quantitative information on significant unobservable inputs used in the valuation models for Level 3 fair value measurement, as well as the sensitivity analysis of changes in these significant unobservable inputs, is disclosed as follows:

	<u>Fair value as of</u> <u>December 31,</u> <u>2024</u>	<u>Evaluation</u> <u>Techniques</u>	<u>Significant</u> <u>unobservable</u> <u>inputs</u>	<u>Range</u> <u>(weighted</u> <u>average)</u>	<u>Relationship</u> <u>Between Input</u> <u>Variables and Fair</u> <u>Value</u>
Non-derivative equity instruments					
Equity securities of non-listed companies	\$ 172,922	Pursuant to the applicable laws and regulations governing listed and OTC companies	Discount for lack of marketability	25~33%	A lack of market liquidity results in greater discounts and lower fair value.
Equity securities of non-listed companies	439,055	Discounted Cash Flow Method	Long-term Revenue Growth Rate	2%	An increase in the long-term revenue growth rate results in a higher fair value.
			Discount for lack of marketability	20.5%	The greater the discount for lack of market liquidity, the lower the fair value.
			Minority Interest Discount	23.3%	A higher minority interest discount results in a lower fair value.
Private Equity Fund Investments	19,842	Net asset value method	Not applicable		Not applicable
Non-derivative equity instruments					
Equity securities of non-listed companies	\$ 156,610	Pursuant to the applicable laws and regulations governing listed and OTC companies	Discount for lack of marketability	25~33%	A lack of market liquidity results in greater discounts and lower fair value.
Equity securities of non-listed companies	456,641	Discounted Cash Flow Method	Long-Term Revenue Growth Rate	4%	An increase in the long-term revenue growth rate results in a higher fair value.
			Discount for lack of marketability	25%	The greater the discount for lack of market liquidity, the lower the fair value.
Private Equity Fund Investments	18,857	Net asset value method	Not applicable		Not applicable

- i. The Group has prudently assessed and selected the valuation models and parameters applied; accordingly, the fair value measurement is considered reasonable. However, the use of different valuation models or parameters may result in different valuation outcomes. For financial assets classified as Level 3, changes in valuation parameters may have the following impact on the current period's profit or loss or other comprehensive income (loss):

		<u>December 31, 2024</u>					
				<u>Recognized in Profit or Loss</u>		<u>Recognized in Other Comprehensive Income (Losses)</u>	
		<u>Change</u>	<u>Favorable</u>	<u>Adverse</u>	<u>Favorable</u>	<u>Adverse</u>	
<u>Financial assets</u>	<u>Input Value</u>	<u>e</u>	<u>Developments</u>	<u>Developments</u>	<u>Development</u>	<u>Development</u>	
					<u>s</u>	<u>s</u>	
Equity Instruments	Discount for lack of marketability	± 1%	<u>\$ 4,395</u>	<u>(\$ 4,395)</u>	<u>\$ 1,725</u>	<u>(\$ 1,725)</u>	
	Long-Term Revenue Growth Rate	± 1%	<u>\$ 63,143</u>	<u>(\$ 47,357)</u>	<u>\$ -</u>	<u>\$ -</u>	
		<u>December 31, 2023</u>					
				<u>Recognized in Profit or Loss</u>		<u>Recognized in Other Comprehensive Income (Losses)</u>	
		<u>Change</u>	<u>Favorable</u>	<u>Adverse</u>	<u>Favorable</u>	<u>Adverse</u>	
<u>Financial assets</u>	<u>Input Value</u>	<u>e</u>	<u>Developments</u>	<u>Developments</u>	<u>Development</u>	<u>Development</u>	
					<u>s</u>	<u>s</u>	
Equity Instruments	Discount for lack of marketability	± 1%	<u>\$ 4,571</u>	<u>(\$ 4,571)</u>	<u>\$ 1,562</u>	<u>(\$ 1,562)</u>	
	Long-Term Revenue Growth Rate	± 1%	<u>\$ 72,223</u>	<u>(\$ 53,528)</u>	<u>\$ -</u>	<u>\$ -</u>	

13. Notes to the Financial Statements

(1) Major Transaction Information

- a. Loans to others: For details, please refer to Schedule 1.
- b. Endorsements and guarantees for others: Please refer to Schedule 2 for details.
- c. Marketable securities held as of period end (excluding investments in subsidiaries, associates, and joint ventures): For further information, please refer to Schedule 3.
- d. There have been no instances in which the cumulative amount of purchases or sales of the same security has reached NT\$300 million or 20% or more of paid-in capital.

- e. Where the amount of real estate acquired reaches NT\$300 million or 20% or more of the paid-in capital, please refer to Schedule 4 for details.
- f. No real estate transaction involving an amount of NT\$300 million or more, or 20% or more of paid-in capital occurred.
- g. For detailed information on purchases from our sales to related parties amounting to NT\$100 million or 20% or more of paid-in capital, please refer to Schedule 5.
- h. Accounts receivable from related parties amounting to NT\$100 million or more or representing 20% or more of paid-in capital: please refer to Schedule 6 for details.
- i. No engagement in derivative product transactions.
- j. For further information on the business relationships, significant transactions, and transaction amounts between the parent company and its subsidiaries, as well as among the subsidiaries, please refer to Schedule 7.

(2) Information on Investments in Subsidiaries and Associates

For details regarding the names, locations, and other relevant information of investee companies (excluding those located in Mainland China), please refer to Schedule 8.

(3) Mainland China Investment Information

- a. Basic Information: For further details, please refer to Schedule 9.
- b. Significant transactions conducted by the Company, either directly or indirectly through third-area enterprises, with investee companies in Mainland China are detailed in Schedule 7. There are no other such transactions.

(4) Information on Major Shareholders

Major Shareholder Information: For further details, please refer to Schedule 10.

14. Segment Information

(1) General Information

The Group's management determines reportable segments based on the information reviewed by the chief operating decision maker in the course of making operational decisions.

The Group's sole reportable operating segment is the electronic components business segment, which is principally engaged in the manufacturing, processing, sale, and import and export of various capacitors for electronic equipment. The Group operates as a single business segment, with no other operating segments meeting the quantitative thresholds for separate disclosure.

There were no material changes during the current period to the Group's corporate structure, the basis of departmental segmentation, or the measurement basis for segment information.

The Group operates within a single industry. The Board of Directors assesses performance and allocates resources on a group-wide basis. Accordingly, the Group is classified as a single reportable segment.

(2) Departmental Profit and Loss, Assets, and Liabilities Information

The following information regarding reportable segments is submitted to the chief operating decision maker:

	<u>Year 2024</u>	<u>Year 2023</u>
	<u>Electronic Components</u>	<u>Electronic Components</u>
External Revenue	\$ 3,430,181	\$ 3,193,488
Departmental Statement of Profit and Loss	<u>\$ 140,167</u>	<u>\$ 44,396</u>
Departmental profit and loss comprises:		
Depreciation and Amortization	(\$ 209,124)	(\$ 219,536)
Income tax expense	(\$ 59,108)	(\$ 41,209)
Investment income and losses recognized under the equity method	(\$ 16,631)	(\$ 26,925)

(3) Information by Product and Service Type

Revenue from external customers is primarily generated from the manufacturing and sales of electrolytic capacitors and related operations. For a detailed breakdown of the Group's net operating revenue for year 2024 and year 2023, please refer to Note 6(21).

(4) Geographical Information

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

	<u>Year 2024</u>		<u>Year 2023</u>	
	<u>Revenue</u>	<u>Non-current Assets</u>	<u>Revenue</u>	<u>Non-current Assets</u>
Domestic	\$ 104,017	\$ 336,044	\$ 59,243	\$ 342,157
Asia	2,978,371	2,538,087	2,781,209	2,414,122
Europe	107,321	-	115,014	-
Americas	79,769	-	32,292	-
Middle East and Near East	160,077	-	204,560	-
Africa	626	-	1,170	-
Subtotal	<u>\$ 3,430,181</u>	<u>\$ 2,874,131</u>	<u>\$ 3,193,488</u>	<u>\$ 2,756,279</u>

(5) Major Customer Information

The key customer information of the Group for the years 2024 and 2023 is as follows:

	<u>Year 2024</u>		<u>Year 2023</u>	
	<u>Revenue</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Revenue</u>
Company A	\$ 600,702	\$ 515,246		
Company B	482,432	460,165		
Other (Notes)	2,347,047	2,218,077		
	<u>\$ 3,430,181</u>	<u>\$ 3,193,488</u>		

Note: Sales to any other individual customer did not account for 10% or more of consolidated operating revenue.

Taiwan Chinsan Electronic Industrial Co., Ltd. and Subsidiaries

Lending of Funds to Others

For the period from January 1, 2024 to December 31, 2024

Schedule 1

Unit: Thousands of New Taiwan Dollars (NT\$)

(Unless otherwise stated)

Number (Note 1)	Lending Institutions	Borrower	Accounts Receivable and Accounts Payable	Related Party Status	Highest balance during the period	Ending Balance	Actual Amount Disbursed	Interest Rate Range	Nature of Loans to External Parties	Transaction Amount	Rationale for the Necessity of Short- Term Financing	Provision for Expected Credit Losses	Collateral		Maximum lending limit for individual counterparties (Note 2)	Aggregate Lending Limit (Note 3)
													Name	Value		
1	EAGLE ZONE LIMITED	Taiwan Chinsan Electronic Industrial Co., Ltd.	Other Receivables	Yes	\$ 135,108	\$ -	\$ -	-	Short-term financing	\$ -	Short-term Operating Funding Requirements	\$ -	None	\$ -	\$ 165,707	\$ 331,414
2	Chinsan (BVI) Enterprise Co., Ltd.	Taiwan Chinsan Electronic Industrial Co., Ltd.	Other Receivables	Yes	211,382	211,382	211,382	-	Short-term financing	-	Short-term Operating Funding Requirements	-	None	-	222,811	445,623
3	CHINSAN (CAYMAN) ENTERPRISE CO., LTD.	Taiwan Chinsan Electronic Industrial Co., Ltd.	Other Receivables	Yes	51,952	-	-	-	Short-term financing	-	Short-term Operating Funding Requirements	-	None	-	1,149,206	2,298,411
4	CHINSAN (CAYMAN) ENTERPRISE CO., LTD.	Chinsan Electronic Industrial (Thailand) Co., Ltd.	Other Receivables	Yes	114,748	114,748	114,748	2.2%	Short-term financing	-	Short-term Operating Funding Requirements	-	None	-	574,603	2,298,411

Note 1: Explanations for the numbering column are as follows:

(1) The issuer shall enter 0.

(2) Each investee company shall be assigned a sequential number, beginning with Arabic numeral 1.

Note 2: Where the Company directly or indirectly holds 100% of the voting shares of a foreign company and engages in intercompany lending, or where a foreign company in which the Company directly or indirectly holds 100% of the voting rights extends loans to the Company.

The amount of funds loaned to any single enterprise shall not exceed 20% of the net worth of the company lending, as disclosed in its most recent financial statements. This restriction does not apply to the case of CHINSAN (CAYMAN) lending to King Shan Electronics Industrial (Thailand), as the latter is not a company in which 100% of the voting shares are held.

In accordance with the regulations of CHINSAN (CAYMAN), the aggregate amount of funds loaned shall not exceed 10% of the net worth as stated in the most recent financial statements of CHINSAN (CAYMAN).

Note 3: The aggregate amount of funds loaned shall not exceed 40% of net worth.

Taiwan Chinsan Electronic Industrial Co., Ltd. and Subsidiaries

Endorsements and Guarantees for Others

For the period from January 1, 2024 to December 31, 2024

Schedule 2

Unit: Thousands of New Taiwan Dollars (NT\$)

(Unless otherwise stated)

No. (Note 1)	Name of Endorsing or Guaranteeing Company	Endorsed Guarantee Counterparties	Relationship (Note 2)	Maximum Enterprise Limit per Single Endorsement and Guarantee (Note 3)	Maximum outstanding balance of endorsements and guarantees during the current period	Ending balance of endorsements and guarantees	Actual Amount Disbursed	Amount of collateralized by property	Percentage of accumulated endorsements and guarantees disclosed in the most recent financial statements (%)	Maximum Limit of Guarantees (Note 3)	Endorsements and guarantees provided by the parent subsidiaries	Endorsements and guarantees granted by the parent subsidiaries	Endorsements and Guarantees Provided to Mainland China	Notes
0	Taiwan Chinsan Electronic Industrial Co., Ltd.	Guangzhou Kingtachi Electronic Co., Ltd.	2	\$ 1,625,210	\$ 467,248	\$ 385,108	\$ 119,702	\$ -	9.48%	\$ 2,031,512	Y	N	Y	
1	King-Tachi Technology Company Limited	Guangzhou Kingtachi Electronic Co., Ltd.	2	918,480	287,168	286,592	152,386	174,357	12.48%	1,148,101	Y	N	Y	

Note 1: Explanations for the numbering column are as follows:

(1) The issuer shall enter 0.

(2) Each investee company shall be assigned a sequential number beginning with Arabic numeral 1.

Note 2: The relationship between the endorser and the guaranteed party is classified into the following seven categories, as specified below:

(1) Companies with which business transactions are conducted.

(2) Companies in which the company directly or indirectly holds more than fifty percent of the voting shares.

(3) Companies in which the company directly or indirectly holds more than 50 percent of the voting shares.

(4) Between companies where one entity directly or indirectly holds 90 percent or more of the voting shares of the other.

(5) Companies that, pursuant to contractual provisions, mutually provide joint and several guarantees with industry peers or co-developers as required for construction projects.

(6) A company in which all shareholders, acting as joint investors, provide endorsements and guarantees in proportion to their respective shareholding ratios.

(7) Pursuant to the Consumer Protection Act, industry peers provide joint and several guarantees to secure the fulfillment of presale housing sales contracts.

Note 3: Pursuant to the Company's procedures for endorsements and guarantees, the aggregate amount of external endorsements and guarantees shall not exceed 50% of the Company's net worth. For any single entity, the limit is set at 40% of the Company's net worth for subsidiaries directly or indirectly held by the Company, while for all other entities, the limit shall not exceed 20% of the Company's net worth.

Net asset value is calculated based on the figures presented in the most recent financial statements, which have been audited and attested by a certified public accountant.

The procedures governing external endorsements and guarantees by the subsidiary Jinli Capacitor Hong Kong stipulate that the aggregate amount of such external endorsements and guarantees shall not exceed 50% of net worth. For any single enterprise, the limit is set at 40% of net worth for directly or indirectly held subsidiaries, while for all other entities, the limit is 20% of net worth.

Net asset value is calculated based on the figures presented in the most recent financial statements, which have been audited and attested by a certified public accountant.

Taiwan Chinsan Electronic Industrial Co., Ltd. and Subsidiaries

Marketable Securities Held at Year-End (Excluding Investments in Subsidiaries, Associates, and Joint Ventures)

December 31, 2024

Unit: Thousands of New Taiwan Dollars (NT\$)

(Unless otherwise stated)

Schedule 3

<u>Investee Companies</u>	<u>Types and Names of Securities</u>	<u>Relationship between the issuer of securities and the Company</u>	<u>Account Title</u>	<u>Number of Shares (Units)</u>	<u>End of period</u>		<u>Fair Value</u>	<u>Notes</u>
					<u>Carrying Amount</u>	<u>Shareholding Percentage</u>		
the Company	Stock HUNG HUA ADVANCED - Startup	Unrelated party	Current financial assets measured at fair value through profit or loss	660,000	\$ 27,159	-	\$ 27,159	None
"	Stock Hon Hai	Unrelated party	"	40,000	7,360	-	7,360	None
"	Stock Tatung	Unrelated party	"	153,000	7,329	-	7,329	None
"	Stock Quanta Computer Inc.	Unrelated party	"	20,000	5,740	-	5,740	None
"	Stock Taishin Financial Holding Co., Ltd.	Unrelated party	"	57,957	1,008	-	1,008	None
"	Stock Auras	Unrelated party	"	10,000	6,230	-	6,230	None
"	Stock Shengda	Unrelated party	"	51,000	1,505	-	1,505	None
"	Stock Creativity	Unrelated party	"	1,000	1,360	-	1,360	None
"	Stock eMemory	Unrelated party	"	2,400	8,052	-	8,052	None
"	Stock TPK-KY	Unrelated party	"	180,000	6,975	-	6,975	None
"	Stock ACE	Unrelated party	"	6,000	5,382	-	5,382	None
"	Stock PharmaEssentia Corp.	Unrelated party	"	15,000	9,225	-	9,225	None
"	Stock Yutai	Unrelated party	"	278,000	89,099	-	89,099	None
"	Stock Acer Cyber Security Inc.	Unrelated party	"	38,000	7,847	-	7,847	None
"	Stock LIZHI	Unrelated party	"	40,000	9,000	-	9,000	None
"	Stock Chin Cherng	Unrelated party	"	25,000	6,663	-	6,663	None
"	Stock Largan Precision	Unrelated party	"	10,000	2,105	-	2,105	None
"	Stock Shin Zu Shing Co., Ltd.	Unrelated party	"	19,000	3,990	-	3,990	None
"	Stock Taiwan Semiconductor Manufacturing Co., Ltd.	Unrelated party	"	6,000	6,450	-	6,450	None
"	Stock eMemory*	Unrelated party	"	34,000	10,761	-	10,761	None
"	Stock SEYI Machinery	Unrelated party	"	90,000	3,353	-	3,353	None
"	Stock Kang Pei*	Unrelated party	"	5,000	3,075	-	3,075	None
"	Stock Ying Guang	Unrelated party	"	70,000	5,572	-	5,572	None
"	Stock Lai Yih Footwear Co., Ltd.	Unrelated party	"	13,000	4,947	-	4,947	None
"	Stock Chinachem	Unrelated party	"	9,000	1,395	-	1,395	None
"	Stock Chung-Hsin Electric & Machinery Manufacturing Corporation	Unrelated party	"	10,000	1,540	-	1,540	None
"	Stock Egis Technology Inc.	Unrelated party	"	19,000	3,354	-	3,354	None
"	Stock Arizon RFID Technology	Unrelated party	"	32,000	7,488	-	7,488	None
"	Stock Sports Gear Co., Ltd.	Unrelated party	"	50,000	6,000	-	6,000	None

Taiwan Chinsan Electronic Industrial Co., Ltd. and Subsidiaries

Marketable Securities Held at Year-End (Excluding Investments in Subsidiaries, Associates, and Joint Ventures)

December 31, 2024

Unit: Thousands of New Taiwan Dollars (NT\$)
(Unless otherwise stated)

Schedule 3

Investee Companies	Types and Names of Securities	Relationship between the issuer of securities and the Company	Account Title	Number of Shares (Units)	End of period		Fair Value	Notes
					Carrying Amount	Shareholding Percentage		
"	Stock TIGERAIR TAIWAN CO., LTD.	Unrelated party	"	85,000	6,622	-	6,622	None
"	Stock Accton	Unrelated party	"	10,000	7,730	-	7,730	None
"	Stock High-Tech	Unrelated party	"	30,000	3,360	-	3,360	None
"	Stock HIWIN	Unrelated party	"	10,000	3,290	-	3,290	None
"	Bond Sunplus Innovation Technology III	Unrelated party	"	25,000	2,438	-	2,438	None
"	Fund CTBC Vietnam Opportunity Fund (Accumulation) (USD) – Single Subscription	Unrelated party	"	20,000	8,406	-	8,406	None
"	Fund Nomura Private 2026 Developed Markets Dynamic Maturity Bond Fund	Unrelated party	"	30,000	10,596	-	10,596	None
"	Fund Fuh Hwa 3–8 Year A-Class Bond Fund (TWD)	Unrelated party	"	544,302	5,837	-	5,837	None
"	Fund Capital India Medium and Small Cap Equity Fund – New Taiwan Dollar	Unrelated party	"	275,145	10,494	-	10,494	None
"	Fund Jih Sun Vietnam Opportunity Fund (TWD) Class A	Unrelated party	"	1,119,904	10,494	-	10,494	None
the Company	Fund LionGlobal Asia Pacific Fund (USD)	Unrelated party	Current financial assets measured at fair value through profit or loss	92,957	\$ 6,790	-	\$ 6,790	None
"	Fund LionGlobal Thailand Fund (USD)	Unrelated party	"	94,202	6,652	-	6,652	None
"	Stock Pinda Technology Co., Ltd.	Unrelated party	Non-current financial assets measured at fair value through profit or loss	8,918,448	439,055	6.41%	439,055	None
"	Fund Fuh Hwa Taiwan Intelligence Fund	Unrelated party	"	3,000,000	2,640	-	2,640	None
"	Stock Wen Ye Class A Preferred Shares	Unrelated party	"	400,000	19,920	0.30%	19,920	None
"	Stock Beiley Biofund Venture Capital Co., Ltd.	Unrelated party	"	42,038	410	0.02%	410	None
"	Stock CeNtRa Science Corp.	Unrelated party	Non-current financial assets at fair value through other comprehensive income	2,062,267	11,713	9.93%	11,713	None
Royal Cheng Investment Co., Ltd.	Stock H-M Company	Unrelated party	Non-current financial assets at fair value through other comprehensive income	1,000,597	12,468	5.88%	12,468	None
Chinsan (BVI) Enterprise Co., Ltd.	Stock Grand Twins International (Cambodia) Ltd.	Unrelated party	Non-current financial assets measured at fair value through profit or loss	999,700	41,365	-	41,365	None
"	Stock ConneXionONE Corp. (OTC: CNND)	Unrelated party	Non-current financial assets at fair value through other comprehensive income	2,479,727	-	3.24%	-	None
Guangzhou Kingtachi Electronic Co., Ltd.	Fund Ping An Consumer Technology Private Equity Fund II-8	Unrelated party	Non-current financial assets measured at fair value through profit or loss	5,000,000	19,842	-	19,842	None
Guangzhou Heng Long Co.	Stock Shihezi Zhongjin Electrode Foil Co., Ltd.	Unrelated party	Non-current financial assets at fair value through other comprehensive income	24,000,000	148,331	6.37%	148,331	None

Taiwan Chinsan Electronic Industrial Co., Ltd. and Subsidiaries

The amount of real estate acquired reaches NT\$300 million or 20% or more of paid-in capital.

For the period from January 1, 2024 to December 31, 2024

Schedule 4

Unit: Thousands of New Taiwan Dollars (NT\$)

(Unless otherwise stated)

<u>Entities</u> <u>Acquiring Real</u> <u>Estate</u>	<u>Property</u> <u>Name</u>	<u>Date of Event</u>	<u>Transaction Amount</u>	<u>Payment</u> <u>Status</u>	<u>Counterparty</u>	<u>Relationship</u>	<u>If the counterparty to the transaction is a related party, details of the</u> <u>previous transfer shall be disclosed.</u>				<u>Basis for Price</u> <u>Determination</u>	<u>Purpose and Use</u> <u>of Collection</u>	<u>Other Agreed</u> <u>Matters</u>
							<u>All owners</u>	<u>Relationship with</u> <u>the counterparty</u>	<u>Transfer Date</u>	<u>Amount</u>			
Chinsan Thailand Co.	Real Estate	112/3/16	\$ 417,309	Pursuant to the contract	KWANG TA CONSTRUCTION CO., LTD. and Related Entities	None	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Price Comparison and Negotiation	For Production Use	None

Taiwan Chinsan Electronic Industrial Co., Ltd. and Subsidiaries

Where purchase or sales transactions with related parties amount to NT\$100 million or 20% or more of paid-in capital

For the period from January 1, 2024 to December 31, 2024

Schedule 5

Unit: Thousands of New Taiwan Dollars (NT\$)
(Unless otherwise stated)

<u>Purchasing and Sales</u> <u>Entities</u> the Company	<u>Name of Transaction Counterparty</u>	<u>Relationship with the Counterparty</u>	<u>Purchases and Sales</u> Purchases	<u>Transaction Overview</u>		<u>Circumstances and Reasons for Deviations from Standard Transaction Terms</u> (Note 1)			<u>Accounts Receivable (Accounts Payable)</u>			
				<u>Amount</u>	<u>Proportion of Total Purchases (or Sales)</u>	<u>Credit Period</u>	<u>Unit Price</u>	<u>Credit Period</u>	<u>Account Balance</u>	<u>Proportion of Total Notes and Accounts Receivable and Payable</u>	<u>Notes</u>	<u>Notes</u>
the Company	Chinsan (BVI) Enterprise Co., Ltd.	the Company's indirect subsidiary	Purchases	\$ 1,655,119	65.21	Note 1	Note 1	Note 1	Accounts Payable	\$ 1,395,440	61.27	Note 2
the Company	Eagle Zone (Samoa) Co., Ltd.	the Company's indirect subsidiary	Purchases	729,450	28.74	"	"	"	Accounts Payable	658,997	28.94	"
Chinsan (BVI) Enterprise Co., Ltd.	Guangzhou Kingtachi Electronic Co., Ltd.	Affiliated Enterprises	Purchases	1,691,345	94.00	"	"	"	Accounts Payable	765,762	99.65	"
Eagle Zone (Samoa) Co., Ltd.	Chinsan Thailand Co.	Affiliated Enterprises	Purchases	648,430	86.00	"	"	"	Accounts Payable	4,054	9.00	"
King Nichi Technology Guangzhou Co., Ltd.	Guangzhou Kingtachi Electronic Co., Ltd.	Affiliated Enterprises	Sales	484,039	92.78	"	"	"	Accounts Receivable	407,312	94.54	"
King Nichi Technology Guangzhou Co., Ltd.	Guangzhou Kingtachi Electronic Co., Ltd.	Affiliated Enterprises	Purchases	477,241	99.99	"	"	"	Accounts Payable	15,962	99.81	"

Note 1: Transactions between the Company and its related parties are conducted in accordance with the Group's internal transaction policies. As there are no comparable external transactions, meaningful comparisons are not available.

Note 2: This transaction was eliminated in the preparation of the consolidated financial statements.

Taiwan Chinsan Electronic Industrial Co., Ltd. and Subsidiaries

Accounts receivable from related parties amounting to NT\$100 million or more, or representing 20% or more of paid-in capital

For the period from January 1, 2024 to December 31, 2024

Schedule 6

Unit: Thousands of New Taiwan Dollars (NT\$)

(Unless otherwise stated)

<u>Entities with recognized receivables</u>	<u>Counterparty Name</u>	<u>Relationship with the Counterparty</u>	<u>Balance of receivables</u>		<u>Amount</u>	<u>Processing Method</u>	<u>Subsequent collection of accounts receivable from related parties (Note 1)</u>	<u>Allowance for doubtful accounts</u>
			<u>due from related parties (Note 1)</u>	<u>Turnover Ratio</u>				
Chinsan (BVI) Enterprise Co., Ltd.	the Company	the Company's indirect subsidiary	\$ 1,395,440	2.28	\$ -	-	\$ -	\$ -
Chinsan (BVI) Enterprise Co., Ltd.	the Company	the Company's indirect subsidiary	211,382	Not applicable (Note 2)	-	-	183,596	-
King Nichi Technology Guangzhou Co., Ltd.	Guangzhou Kingtachi Electronic Co., Ltd.	Affiliated Enterprises	407,312	2.39	-	-	6,528	-
Guangzhou Kingtachi Electronic Co., Ltd.	Chinsan (BVI) Enterprise Co., Ltd.	Affiliated Enterprises	765,762	5.27	-	-	70,060	-
Eagle Zone (Samoa) Co., Ltd.	the Company	the Company's indirect subsidiary	658,997	2.51	-	-	127,862	-

Note 1: Data as of February 25, 2025.

Note 2: This pertains to a loan of funds.

Taiwan Chinsan Electronic Industrial Co., Ltd. and Subsidiaries
Business relationships and significant transactions, including transaction amounts, between the parent company and its subsidiaries, as well as among the subsidiaries
For the period from January 1, 2024, to December 31, 2024

Schedule 7

Unit: Thousands of New Taiwan Dollars (NT\$)
(Unless otherwise stated)

No. (Note 1)	Name of Trader	Transaction Counterparties	Relationship with the counterparty (Note 2)	Account Title	Transaction Activities		Proportion of total consolidated revenue or total consolidated assets (Note 3)
					Amount (NT\$ Thousand)	Terms of Transaction	
0	the Company	Chinsan (BVI) Enterprise Co., Ltd.	1	Sales	\$ 86,753	Note 5	2.53%
0	the Company	Chinsan (BVI) Enterprise Co., Ltd.	1	Purchases	1,655,119	Note 5	48.25%
0	the Company	Chinsan (BVI) Enterprise Co., Ltd.	1	Accounts Payable	1,395,440	Note 6	15.62%
0	the Company	Chinsan (BVI) Enterprise Co., Ltd.	1	Other Payables	211,382	Note 7	2.37%
0	the Company	Eagle Zone (Samoa) Co., Ltd.	1	Purchases	729,450	Note 5	21.27%
0	the Company	Eagle Zone (Samoa) Co., Ltd.	1	Accounts Payable	658,997	Note 6	7.38%
1	Chinsan (BVI) Enterprise Co., Ltd.	Guangzhou Kingtachi Electronic Co., Ltd.	3	Sales	91,178	Note 5	2.66%
1	Chinsan (BVI) Enterprise Co., Ltd.	Guangzhou Kingtachi Electronic Co., Ltd.	3	Purchases	1,691,345	Note 5	49.31%
1	Chinsan (BVI) Enterprise Co., Ltd.	Guangzhou Kingtachi Electronic Co., Ltd.	3	Accounts Payable	765,762	Note 6	8.57%
1	Chinsan (BVI) Enterprise Co., Ltd.	King Nichi Technology Guangzhou Co., Ltd.	3	Purchases	38,220	Note 5	1.11%
2	Eagle Zone (Samoa) Co., Ltd.	Guangzhou Kingtachi Electronic Co., Ltd.	3	Sales	125,673	Note 5	3.66%
2	Eagle Zone (Samoa) Co., Ltd.	Guangzhou Kingtachi Electronic Co., Ltd.	3	Purchases	88,275	Note 5	2.57%
2	Eagle Zone (Samoa) Co., Ltd.	Chinsan Thailand Co.	3	Purchases	648,430	Note 5	18.90%
2	Eagle Zone (Samoa) Co., Ltd.	Guangzhou Kingtachi Electronic Co., Ltd.	3	Accounts Receivable	27,819	Note 6	0.31%
2	Eagle Zone (Samoa) Co., Ltd.	Guangzhou Kingtachi Electronic Co., Ltd.	3	Accounts Payable	41,865	Note 6	0.47%
3	Hongkong Kingtachi Co.	King Nichi Technology Guangzhou Co., Ltd.	3	Other Receivables	37,932	Note 6	0.42%
3	Hongkong Kingtachi Co.	Guangzhou Kingtachi Electronic Co., Ltd.	3	Other Receivables	52,762	Note 6	0.59%
4	King Nichi Technology Guangzhou Co., Ltd.	Guangzhou Kingtachi Electronic Co., Ltd.	3	Sales	484,039	Note 5	14.11%
4	King Nichi Technology Guangzhou Co., Ltd.	Guangzhou Kingtachi Electronic Co., Ltd.	3	Purchases	477,241	Note 5	13.91%
4	King Nichi Technology Guangzhou Co., Ltd.	Guangzhou Kingtachi Electronic Co., Ltd.	3	Accounts Receivable	407,312	Note 6	4.56%
5	Guangzhou Kingtachi Electronic Co., Ltd.	Guangzhou Youmao Co.	3	Accounts Payable	47,444	Note 6	0.53%
5	Guangzhou Kingtachi Electronic Co., Ltd.	Guangzhou Youmao Co.	3	Rental Income	72,053	Note 5	2.10%
5	Guangzhou Kingtachi Electronic Co., Ltd.	Guangzhou Youmao Co.	3	Processing Costs	342,938	Note 5	10.00%

Note 1: Transactions between the parent company and its subsidiaries shall be separately identified in the numbering column. The numbering shall be assigned as follows.

1. Enter 0 for the parent company.
2. Subsidiaries are assigned sequential numbers by company, beginning with Arabic numeral 1.

Note 2: There are three categories of relationships with the counterparty; please specify only the category.

1. Parent Company and Subsidiary
2. Subsidiaries of the Parent Company.
3. Intercompany transactions between subsidiaries.

Note 3: For the calculation of the ratio of transaction amounts to total consolidated revenue or total consolidated assets, if the transaction pertains to asset or liability accounts, the ratio is calculated by dividing the ending balance by total consolidated assets. If the transaction pertains to income statement accounts, the ratio is calculated by dividing the cumulative amount for the period by total consolidated revenue.

Note 4: The Group discloses only significant transactions with amounts equal to or exceeding NT\$10,000 thousand.

Note 5: Pursuant to the Group's pricing strategy.

Note 6: As there are no comparable transactions of the same type, the arrangement was established based on terms, conditions, and duration mutually agreed upon by both parties.

Note 7: This pertains to the provision of funds by way of loans.

Taiwan Chinsan Electronic Industrial Co., Ltd. and Subsidiaries

Information on Investments in Subsidiaries – Names, locations, and other pertinent information of investee companies (excluding those located in Mainland China)

For the period from January 1, 2024, to December 31, 2024

Schedule 8

Unit: Thousands of New Taiwan Dollars
(NT\$)

(Unless otherwise stated)

Name of Investment Company	Name of Investee Company	Region	Principal Business Operations	Original Investment Amount (Note 1)		Ending balance			Share of profit (loss) of investee companies accounted for using the equity method for the current period	Investment income (loss) recognized during the current period	Notes
				As of the end of the current reporting period	As of December 31 of the previous year	Number of Shares (in Thousands)	Ratio (%)	Carrying Amount			
the Company	Chinsan (Cayman) Enterprise Co., Ltd.	Cayman Islands	Aluminum capacitor trading and investment activities	\$ 745,751 (USD 23,093)	\$ 745,751 (USD 23,093)	9,797	100%	\$ 5,744,340	\$161,950	\$162,406	Note 2
"	Royal Cheng Investment Co., Ltd.	Taiwan	General Investment Operations	14,000	14,000	-	100%	13,673	6	6	None
"	Sustainable Development Co., Ltd.	Taiwan	Waste Management Industry	245,159	245,159	3,794	6.82%	36,756	(239,488)	(16,631)	None
Chinsan (Cayman) Enterprise Co., Ltd.	Chinsan Thailand Co.	Bangkok, Thailand	Manufacture and sale of aluminum capacitors	676,102 (USD 21,583)	479,271 (USD 15,424)	7,089	94.52%	929,182	12,377	12,190	None
"	Chinsan (BVI) Enterprise Co., Ltd.	BVI	Aluminum capacitor trading and investment activities	134,862 (USD 4,200)	134,862 (USD 4,200)	2,500	100%	1,094,150	(28,751)	(48,738)	Note 3
"	Eagle Zone (Samoa) Co., Ltd.	SAMOA	Aluminum capacitor trading and investment activities	297,199 (USD 10,000)	297,199 (USD 10,000)	1,000	100%	828,862	16,449	23,958	Note 4
"	Hongkong Kingtachi Co.	Hong Kong	Aluminum capacitor trading and investment activities	1,883,822 (USD 60,407)	1,883,822 (USD 60,407)	6,200	100%	2,296,201	141,722	141,722	Note 5
"	Spotlight Co.	SAMOA	General Investment Operations	386,537 (USD 12,610)	386,537 (USD 12,610)	12,610	100%	447,347	30,970	30,970	None
Spotlight Co.	Baolong International Co., Ltd.	Hong Kong	General Investment Operations	121,305 (USD 3,700)	121,305 (USD 3,700)	29,136	100%	169,299	7,496	7,496	None

Note 1: The original investment amounts listed above are stated in New Taiwan Dollars actually remitted, calculated based on the historical exchange rates at the time of remittance.

Note 2: The accumulated cash capital increase has not yet been registered as a change in capital stock, and an amount of NTD 309,591 thousand has been recorded as advance receipts for capital stock.

Note 3: The accumulated cash capital increase has not yet been registered as a change in capital stock, and an amount of USD 1,700 thousand has been recorded as advance receipts for capital stock.

Note 4: The accumulated cash capital increase has not yet been registered as a change in capital stock, and an amount of USD 9,000 thousand is recorded under advance receipts for capital stock.

Note 5: The accumulated cash capital increase has not yet been registered as a change in capital stock, and an amount of HKD 404,936 thousand has been recorded as advance receipts for capital stock.

Taiwan Chinsan Electronic Industrial Co., Ltd.
Mainland China Investment Information
For the period from January 1, 2024 to December 31, 2024

Schedule 9

Unit: Thousands of New Taiwan Dollars (NT\$)
(Unless otherwise stated)

Name of Investee in Mainland China	Principal Business Operations	Paid-in Capital	Investment Method	Cumulative amount of outbound investment from Taiwan as of the beginning of the current period	Investment amounts disposed of or recovered during the period		Cumulative amount of investment remitted from Taiwan as of period-end	Profit or loss of investee entities for the current period	Percentage of shareholding in the Company's direct or indirect investments (%)	Investment gains and losses recognized during the current period (Note 2)	Carrying amount of investments at the end of the period	Notes
					Export	Recover						
King Nichi Technology Guangzhou Co., Ltd.	Aluminum Electrolytic Capacitors	\$ 344,243 (USD 10,500,000)	Note 1(2)	\$ 269,075 (USD 8,207,260)	\$ -	\$ -	\$ 269,075 (USD 8,207,260)	(\$ 343)	95.22%	\$ 1,418	\$ 415,049	Note 3, 5, 7
Guangzhou Kingtachi Electronic Co., Ltd.	Aluminum Electrolytic Capacitors	1,914,644 (USD 58,400,000)	Note 1(2)	-	-	-	-	155,886	100%	154,877	1,760,498	Note 3, 5, 6, and 7
Guangzhou Heng Long Co.	General Investment Operations	107,472 (RMB 24,000,000)	Note 1(2)	-	-	-	-	7,492	100%	7,492	162,950	Note 3, 7
Guangzhou Youmao Co.	Aluminum Electrolytic Capacitors	22,390 (RMB 5,000,000)	Note 1(3)	-	-	-	-	2,879	100%	2,879	21,851	Note 3, 7
Shihezi Zhongjin Electrode Foil Co., Ltd.	Aluminum foil	1,688,206 (RMB 377,000,000)	Note 1(2)	-	-	-	-	50,013	6.37%	-	148,331	Note 11

Note 1: Investments are classified into the following three categories.

Direct investment activities in Mainland China.

- (1) Reinvestment in companies located in Mainland China through entities established in third jurisdictions.
- (2) Other approaches.

Note 2: The ending book value of investments represents the investment gains and losses, as well as the balance of long-term equity investments, as recorded in the accounts of the investing company.

Note 3: The investment gains and losses recognized for the current period are based on the figures in the financial statements audited by the certified public accountants of the parent company in Taiwan.

Note 4: Calculations are based on the year-end exchange rates of USD 1 = NTD 32.785 and RMB 1 = NTD 4.478.

Note 5: As the Company's investments in King Nichi Technology Guangzhou Co., Ltd. and Guangzhou Kingtachi Electronic Co., Ltd. were made by acquiring existing shares through indirect investment via Hongkong Kingtachi Co., it is not possible to separately identify the profit or loss and valuation adjustments attributable to these investments. Accordingly, only the amounts recorded in the accounts of Hongkong Kingtachi Co. are disclosed; the carrying value of the investments, investment gains or losses, and valuation are all based on the relevant information as recorded by Hongkong Kingtachi Co.

Note 6: Hongkong Kingtachi Co. holds 84.76% of the equity in Guangzhou Kingtachi Electronic Co., Ltd., and Spotlight Co. holds 15.24%.

Note 7: This transaction was eliminated in the preparation of the consolidated financial statements.

Cumulative amount of funds remitted from Taiwan to Mainland China for investment as of period-end (Note 10)	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (Note 10)	Investment limit for investments in Mainland China as prescribed by the Investment Commission, Ministry of Economic Affairs (Note 8)
\$ 269,075	\$ 2,291,191	\$ -

Note 8: In September 2024, the Company received certification from the Industrial Development Bureau of the Ministry of Economic Affairs confirming compliance with the Regulations Governing the Recognition of Operational Headquarters. The certificate is valid from August 2024 to August 2027; accordingly, there are no restrictions.

Note 9: Calculations are based on the year-end exchange rates of USD 1 = NTD 32.785 and RMB 1 = NTD 4.478.

Note 10: The Company's total investment in Mainland China amounts to USD 66,607,260 and RMB 24,000,000. Of this total, USD 8,207,260 was directly remitted by the Company, while USD 58,400,000 was remitted from the earnings of its subsidiary, Chinsan (Cayman) Enterprise Co., Ltd. The amount of RMB 24,000,000 was remitted by Baolong International Co., Ltd.

Note 11: Non-current assets measured at fair value through other comprehensive income (losses) were remitted by Baolong International Co., Ltd. For details regarding the approval status from the Investment Commission, please refer to Note 10.

Taiwan Chinsan Electronic Industrial Co., Ltd. and Subsidiaries

Information on Major Shareholders

December 31, 2024

Schedule 10

	<u>Major Shareholders</u>	<u>Shares Held</u>	<u>Shareholding Percentage</u>
KaiMei Electronic Corp.		23,404,546	18.07%
Han-Lin Investment Co., Ltd.		8,564,767	6.61%
Hong-Pu Investment Co., Ltd.		7,428,154	5.73%

Note 1: The information on major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation, based on the shareholder register as of the last business day of each quarter. The calculation includes shareholders whose aggregate holdings of the Company's dematerialized delivered common and preferred shares (including treasury shares) amount to 5% or more. The capital stock disclosed in the Company's consolidated financial statements and the actual number of dematerialized delivered shares may differ due to variations in the basis of preparation or calculation.