TAIFLEX SCIENTIFIC COMPANY LIMITED

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

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Notice to Readers

The English parent company only financial statements are not reviewed nor audited by independent auditors. They have been translated into English from the original Chinese version which are audited by independent auditors. 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 version shall prevail.

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Independent Auditors' Report

To Taiflex Scientific Co., Ltd.

Audit opinion

We have audited the parent company only balance sheets of Taiflex Scientific Co., Ltd. (hereinafter referred to as "Taiflex" or "the Company") as of December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to parent company only financial statements (including a summary on significant accounting policies).

In our opinion, the aforementioned parent company only financial statements present fairly, in all material respects, the financial status of the Company as of December 31, 2024 and 2023, and its financial performance and cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for audit opinion

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

Key audit matters

Key audit matters are ones that were of most significance in our audit of the parent company only financial statements of the Company for the year ended December 31, 2024 based on our professional judgment. These matters have been covered during the audit of the overall parent company only financial statements and in forming the audit opinion. We will not express a separate opinion on these matters. Key audit matters to be communicated on the independent auditors' report are stated as follows:

1. Impairment of receivables

   Net receivables generated from the selling of flexible copper-clad laminate and cover-layer amounted to NT$2,678,470 thousand and accounted for 20% of the Company's total assets as of December 31, 2024. Hence, it was considered a material item to the Company. Loss allowance for receivables was measured at an amount equal to lifetime expected credit losses. As the measurement of expected credit losses involved judgment, analysis and estimation and the outcome would affect the net receivables, the impairment of receivables was identified as a key audit matter.

Our audit procedures included, but not limited to, the assessment on the appropriateness of expected credit loss rate for receivables, i.e., tests on the effectiveness of internal control established by the management for receivables, random selection of customers for receivable confirmations, and verification of subsequent collections, in order to assess the recoverability of receivables. We tested the accuracy of aging, analyzed changes in aging, and assessed the reasonableness of receivables with longer collection terms.

We also considered the appropriateness of disclosures on receivables and associated risks in Notes 5 and 6 to the parent company only financial statements.

2. Inventory valuation

As of December 31, 2024, net inventories of flexible copper-clad laminate and cover-layer amounted to NT$1,060,223 thousand; thus, it was a significant item to the Company. Due to uncertainties arising from rapid changes in product technologies, allowance for inventory obsolescence and valuation losses involved significant judgment of management. Hence, it was considered a key audit item.

Our audit procedures included, but not limited to, tests on the effectiveness of internal control established by the management for inventories, such as cost carryover of inventories, assessment on inventory status, evaluation on management's stocktaking plans, and on-site observation of stocktaking at major warehouses to ensure the quantities and conditions of inventories. We assessed the accuracy of inventory aging, analyzed movements in inventory aging, and considered the expected demand and market value of inventories. We evaluated management's analyses and assessments on obsolete inventories, including the estimations on the possibility of inventory realization and net realizable value, and tested whether the allowance for writing down inventories to their net realizable value was adequate.

We also considered the appropriateness of disclosures on inventories in Notes 5 and 6 to the parent company only financial statements.

Responsibilities of management and those charged with governance for the parent company only financial statements

The responsibilities of management are to prepare the parent company only financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and maintain necessary internal controls associated with the preparation in order to ensure the financial statements are free from material misstatement arising from fraud or error.

In preparing the parent company only financial statements, management is also responsible for assessing the ability of the Company in continuing as a going concern, disclosing associated matters and adopting the going concern basis of accounting unless the management intends to liquidate the Company or cease its operations, or has no realistic alternative but to do so.

Those charged with governance of the Company (including the Audit Committee) are responsible for supervising the financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance on whether the parent company only financial statements as a whole are free from material misstatement arising from fraud or error, and to issue an independent auditors' report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If those amounts of misstatements, either individually or in the aggregate, could reasonably be expected to influence the economic decisions of financial statements users, they are considered material.

We have exercised professional judgment and professional skepticism when carrying out auditing work according to the auditing standards. We also perform the following tasks:

1. Identify and assess the risks of material misstatement arising from fraud or error within the parent company only financial statements; design and execute appropriate counter-measures in response to those risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud or error is higher than for one resulting from error.

2. Understand internal controls relevant to the audit in order to design appropriate audit procedures under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by management.

4. Based on the audit evidence obtained, we conclude on the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists for events or conditions that may cast significant doubts on the Company's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the parent company only financial statements to pay attention to relevant disclosures in the notes to those statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may result in the Company ceasing to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements adequately represent the underlying transactions and events.

6. Obtain sufficient and appropriate audit evidence concerning the financial information of entities within the group to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit on those investees and the preparation of an audit opinion on the group.

Matters communicated between us and the governance bodies include the planned scope and timing of the audit, and significant audit findings (including any significant deficiencies in internal control identified during the audit).

We also provide governance bodies with a declaration that we have complied with the Norm regarding independence, and to communicate with them all relationships and other matters that may possibly be deemed to impair our independence (including relevant preventive measures).

From the matters communicated with governance bodies, we determine the key audit matters within the audit of the Company's parent company only financial statements for the year ended December 31, 2024. We have clearly indicated such matters in the independent auditors' report, unless legal regulations prohibit the public disclosure of specific items, or in extremely rare cases, where we decided not to communicate over specific items in the independent auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

Ernst & Young, Taiwan

February 26, 2025

TAIFLEX SCIENTIFIC COMPANY LIMITED
PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

Assets	Notes	December 31, 2024	December 31, 2023
Current assets			
Cash and cash equivalents	4, 6(1)	$ 1,924,786	$ 877,547
Financial assets at fair value through profit or loss - current	4, 6(2)	32,385	32,621
Financial assets at amortized cost - current	4, 6(3)	200,000	-
Notes receivable, net	4, 6(4)	576	444
Accounts receivable, net	4, 6(5)	1,965,745	1,967,968
Accounts receivable - related parties	6(5), 7	712,149	645,444
Other receivables		36,789	25,764
Other receivables - related parties	7	56,055	270,351
Inventories, net	4, 6(6)	1,060,223	992,593
Prepayments		20,785	18,366
Other current assets	8	21,050	22,347
Total current assets		6,030,543	4,853,445
Non-current assets			
Financial assets at fair value through other comprehensive income - non-current	4, 6(7)	436,144	426,661
Investments accounted for using the equity method	4, 6(8)	4,453,459	4,164,295
Property, plant and equipment	4, 6(9)	2,206,847	2,400,662
Right-of-use assets	4, 6(19)	197,922	238,488
Intangible assets	4, 6(10)	67,304	77,368
Deferred income tax assets	4, 6(22)	118,250	116,986
Other non-current assets		7,346	6,529
Total non-current assets		7,487,272	7,430,989
Total assets		$ 13,517,815	$ 12,284,434

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

(Continued)

TAIFLEX SCIENTIFIC COMPANY LIMITED
PARENT COMPANY ONLY BALANCE SHEETS-(Continued)
December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	December 31, 2024	December 31, 2023
Current liabilities			
Financial liabilities at fair value through profit or loss - current	4, 6(11)	$ 2,254	$ 1,556
Contract liabilities - current	4, 6(17)	190	9
Notes payable		3	-
Accounts payable		1,065,303	934,716
Accounts payable - related parties	7	17,796	33,467
Other payables		610,427	511,333
Other payables - related parties	7	30,061	20,349
Current income tax liabilities	4, 6(22)	228,373	203,214
Lease liabilities - current	4, 6(19)	12,021	11,009
Current portion of bonds	6(12)	-	1,891,501
Other current liabilities		3,197	3,065
Total current liabilities		1,969,625	3,610,219
Non-current liabilities			
Bonds payable	6(12)	245,543	-
Long-term loans	6(13)	200,000	200,000
Deferred income tax liabilities	4, 6(22)	147,263	117,783
Lease liabilities - non-current	4, 6(19)	196,357	236,488
Net defined benefit liabilities - non-current	4, 6(14)	114,999	132,642
Total non-current liabilities		904,162	686,913
Total liabilities		2,873,787	4,297,132
Equity			
Capital	6(15)		
Common stock		2,549,117	2,091,197
Capital collected in advance		13,653	-
Total capital		2,562,770	2,091,197
Capital surplus	6(15)	2,322,316	1,026,197
Retained earnings			
Legal reserve		1,208,439	1,163,891
Special reserve		164,692	310,176
Unappropriated earnings		4,211,013	3,560,533
Total retained earnings		5,584,144	5,034,600
Others	4	174,798	(164,692)
Total equity		10,644,028	7,987,302
Total liabilities and equity		$ 13,517,815	$ 12,284,434

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

(Concluded)

TAIFLEX SCIENTIFIC COMPANY LIMITED
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

	Notes	2024	2023
Operating revenue	4, 6(17), 7	$ 8,215,429	$ 6,837,677
Operating costs	4, 6(6,20), 7	(6,459,603)	(5,371,905)
Gross profit		1,755,826	1,465,772
Realized gain/(loss) on transactions with associates		(3,554)	3,555
Gross profit, net		1,752,272	1,469,327
Operating expenses	4, 6(20)		
Sales and marketing expenses		(330,536)	(299,188)
General and administrative expenses		(394,181)	(325,780)
Research and development expenses		(331,626)	(314,812)
Expected credit loss	6(18)	(23,257)	(2,990)
Total operating expenses		(1,079,600)	(942,770)
Operating income		672,672	526,557
Non-operating income and expenses	6(21)		
Interest income		26,224	17,384
Other income		37,965	42,797
Other gains and losses		97,861	(38,002)
Finance costs		(18,245)	(25,026)
Share of profit or loss of subsidiaries and associates accounted for using the equity method	4, 6(8)	(88,077)	(25,078)
Total non-operating income and expenses		55,728	(27,925)
Income before income tax		728,400	498,632
Income tax expense	4, 6(22)	(135,624)	(75,658)
Net income from continuing operations		592,776	422,974
Net income		592,776	422,974
Other comprehensive income (loss)	6(21)		
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plan		21,643	28,134
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income		465,128	170,972
Income tax related to items that will not be reclassified subsequently	6(22)	(4,329)	(5,626)
Items that may be reclassified subsequently to profit or loss	6(21)		
Exchange differences on translation of foreign operations		159,354	(31,859)
Income tax related to items that may be reclassified subsequently to profit or loss	6(22)	(31,858)	6,371
Total other comprehensive income (loss), net of tax		609,938	167,992
Total comprehensive income		$ 1,202,714	$ 590,966
Earnings per share (NT$)	4, 6(23)		
Earnings per share - basic		$ 2.53	$ 1.93
Earnings per share - diluted		$ 2.32	$ 1.66

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

TAIFLEX SCIENTIFIC COMPANY LIMITED
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

	Capital			Retained Earnings			Others		
Item	Common Stock	Capital Collected in Advance	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Total Equity
Balance as of January 1, 2023	$ 2,091,197	$ -	$ 1,140,566	$ 1,089,400	$ 235,996	$ 3,661,049	$ (171,006)	$ (139,170)	$ 7,908,032
Appropriation and distribution of 2022 earnings									
Legal reserve				74,491		(74,491)			-
Special reserve					74,180	(74,180)			-
Cash dividends for common stocks						(397,327)			(397,327)
Changes in other capital surplus									
Changes from investments in associates accounted for using the equity method			916						916
Cash dividends from capital surplus			(125,472)						(125,472)
Net income for the year ended December 31, 2023						422,974			422,974
Other comprehensive income (loss) for the year ended December 31, 2023						22,508	(25,488)	170,972	167,992
Total comprehensive income	-	-	-	-	-	445,482	(25,488)	170,972	590,966
Disposal of investments accounted for using the equity method			(3)						(3)
Share-based payments			10,190						10,190
Balance as of December 31, 2023	$ 2,091,197	$ -	$ 1,026,197	$ 1,163,891	$ 310,176	$ 3,560,533	$ (196,494)	$ 31,802	$ 7,987,302
Balance as of January 1, 2024	$ 2,091,197	$ -	$ 1,026,197	$ 1,163,891	$ 310,176	$ 3,560,533	$ (196,494)	$ 31,802	$ 7,987,302
Appropriation and distribution of 2023 earnings									
Legal reserve				44,548		(44,548)			-
Cash dividends for common stocks						(209,120)			(209,120)
Stock dividends for common stocks	104,560					(104,560)			-
Reversal of special reserve					(145,484)	145,484			-
Conversion of convertible bonds	353,360	13,653	1,288,025						1,655,038
Changes in other capital surplus									
Changes from investments in associates accounted for using the equity method			394						394
Net income for the for the year ended December 31, 2024						592,776			592,776
Other comprehensive income (loss) for the year ended December 31, 2024						17,314	127,496	465,128	609,938
Total comprehensive income	-	-	-	-	-	610,090	127,496	465,128	1,202,714
Disposal of investments accounted for using the equity method			(29)						(29)
Share-based payments			7,729						7,729
Disposal of equity instruments at fair value through other comprehensive income						253,134		(253,134)	-
Balance as of December 31, 2024	$ 2,549,117	$ 13,653	$ 2,322,316	$ 1,208,439	$ 164,692	$ 4,211,013	$ (68,998)	$ 243,796	$ 10,644,028

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

TAIFLEX SCIENTIFIC COMPANY LIMITED
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from operating activities:		
Income before income tax	$ 728,400	$ 498,632
Adjustments:		
Non-cash income and expense items:		
Depreciation	317,150	297,835
Amortization	19,629	21,333
Expected credit loss	23,257	2,990
Net loss (gain) on financial assets (liabilities) at fair value through profit or loss	30,991	(5,200)
Interest expense	18,245	25,026
Interest income	(26,224)	(17,384)
Dividend income	(10,574)	(15,647)
Compensation costs of share-based payments	7,729	10,190
Share of loss of associates accounted for using the equity method	88,077	25,078
Gain on disposal of property, plant and equipment	(675)	-
Gain on disposal of investments accounted for using the equity method	(3,914)	(807)
Others	34,416	37,924
Changes in operating assets and liabilities:		
Increase in financial assets mandatorily at fair value through profit or loss	(31,720)	(20,009)
Increase in notes receivable	(132)	(85)
(Increase) decrease in accounts receivable	(21,034)	102,082
Increase in accounts receivable - related parties	(66,705)	(36,691)
(Increase) decrease in other receivables	(9,493)	462
Decrease (increase) in other receivables - related parties	214,296	(197,333)
(Increase) decrease in inventories	(101,696)	238,320
Increase in prepayments	(2,419)	(4,253)
Decrease (increase) in other current assets	1,424	(1,195)
Increase in contract liabilities	181	9
Increase in notes payable	3	-
Increase in accounts payable	130,587	285,987
Decrease in accounts payable - related parties	(15,671)	(24,878)
Increase (decrease) in other payables	160,723	(35,905)
Increase in other payables - related parties	9,712	4,523
Increase (decrease) in other current liabilities	3,910	(3,444)
Increase (decrease) in net defined benefit liabilities	4,000	(18,371)
Cash generated from operations	1,502,473	1,169,189
Interest received	24,692	18,839
Dividend received	51,061	15,647
Interest paid	(3,451)	(3,369)
Income tax paid	(118,436)	(145,311)
Net cash generated by operating activities	1,456,339	1,054,995

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

(Continued)

TAIFLEX SCIENTIFIC COMPANY LIMITED
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS-(Continued)
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from investing activities:		
Disposal of financial assets at fair value through other comprehensive income	$ 455,645	$ -
Acquisition of financial assets at amortized cost	(200,000)	-
Disposal of financial assets at amortized cost	-	30,743
Acquisition of investments accounted for using the equity method	(265,393)	(370,609)
Disposal of investments accounted for using the equity method	7,520	2,071
Acquisition of property, plant and equipment	(173,664)	(499,024)
Disposal of property, plant and equipment	1,060	169,354
Increase in refundable deposits	(817)	(55)
Acquisition of intangible assets	(7,601)	(243)
Increase in other current assets - other financial assets - current	(127)	(69)
Net cash used in investing activities	(183,377)	(667,832)
Cash flows from financing activities:		
Decrease in short-term loans	-	(190,000)
Repayment of long-term loans	-	(2,000)
Repayment of lease principal	(16,603)	(15,501)
Distribution of cash dividends	(209,120)	(522,799)
Net cash used in financing activities	(225,723)	(730,300)
Net increase (decrease) in cash and cash equivalents	1,047,239	(343,137)
Cash and cash equivalents at beginning of period	877,547	1,220,684
Cash and cash equivalents at end of period	$ 1,924,786	$ 877,547

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

(Concluded)

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

1. History and Organization

   Taiflex Scientific Company Limited (the "Company") was incorporated in August, 1997. Its main operations consist of manufacturing, research and development, and selling of flexible copper-clad laminate, cover-layer, bonding sheet, stiffener and composite film. Shares of the Company commenced trading on the Taipei Exchange on December 19, 2003 and were listed on the Taiwan Stock Exchange (TWSE) on December 17, 2009.

2. Date and Procedures of Authorization of Financial Statements

   The parent company only financial statements of the Company for the years ended December 31, 2024 and 2023 were approved and authorized for issue in the Board of Directors' meeting on February 26, 2025.

3. Newly Issued or Revised Standards and Interpretations

   (1) Changes in accounting policies due to first-time adoption of International Financial Reporting Standards

   The Company has adopted International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC interpretations and SIC interpretations endorsed by the Financial Supervisory Commission (FSC) to take effect for annual periods beginning on January 1, 2024. The first-time adoption of new standards and amendments does not have any material impact on the Company.

   (2) As of the date of issuance of the financial statements, the Company has not adopted the following new, revised or amended standards and interpretations issued by the International Accounting Standards Board (IASB) and endorsed by the FSC:

No.	Projects of New or Amended Standards and Interpretations	Effective Date
Amendments to IAS 21	Lack of Exchangeability	January 1, 2025

   A. Lack of Exchangeability (Amendments to IAS 21)

   The amendments explain the exchangeability and lack of exchangeability between currencies and how to determine the exchange rate as well as additional disclosures required when a currency is not exchangeable.

   The aforementioned new, revised or amended standards and interpretations are issued by the IASB and endorsed by the FSC to take effect for annual periods beginning on January 1, 2025. They do not have any material impact on the Company.

   (3) As of the date of issuance of the financial statements, the Company has not adopted the following new, revised or amended standards and interpretations issued by the IASB but not yet endorsed by the FSC:

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

No.	Projects of New or Amended Standards and Interpretations	Effective Date
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by IASB
IFRS 17	Insurance Contracts	January 1, 2023
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Volume 11	Annual Improvements to IFRS Accounting Standards	January 1, 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	January 1, 2026

A. Amendments to IFRS 10 “Parent Company Only Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The plan deals with the inconsistency between IFRS 10 “Parent Company Only Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” in relation to the loss of control over a subsidiary that is contributed to an associate or a joint venture. IAS 28 states that when non-monetary assets are contributed in exchange for an interest in an associate or a joint venture, the share of gains or losses shall be eliminated in accordance with the treatments of a downstream transaction. However, IFRS 10 requires a full recognition of gains or losses arising from the loss of control over a subsidiary. The amendments place restrictions on the above-mentioned rules of IAS 28. The gains or losses from the sale or contribution of assets defined as a business under IFRS 3 shall be recognized in full.

The amendments also change IFRS 10 so that gains or losses arising from the sale or contributions of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture are recognized only to the extent of their shares owned by non-investors.

B. IFRS 17 “Insurance Contracts”

The standard provides a comprehensive model for the insurance contracts, including all relevant accounting aspects (the principles of recognition, measurement, presentation and disclosure). The core of IFRS 17 is the General Model where a group of insurance contracts is measured at the sum of fulfilment cash flows and contractual service margin at initial recognition. At the end of each reporting period, the carrying amount of the groups of insurance contracts is the sum of liabilities for remaining coverage and incurred claims.

Besides the General Model, the specific approach for contracts with direct participation features (Variable Fee Approach) and the simplified approach for short-term contracts (Premium Allocation Approach) are also provided.

After the issuance of IFRS 17 in May 2017, amendments were released in 2020 and 2021. Besides deferring the effective date by two years (i.e., from January 1, 2021 to January 1, 2023) and providing additional exemptions in the transitional provisions, these amendments simplify some requirements to lower the implementation cost and revise some requirements to make explanations in certain circumstances easier. The adoption of IFRS 17 will replace the transitional provisions (i.e., IFRS 4 “Insurance Contracts”).

C. IFRS 18 “Presentation and Disclosure in Financial Statements”

The standard will replace IAS 1 “Presentation of Financial Statements.” Major changes are as follows:

(a) Improve the comparability of the income statement

Income and expenses are classified into one of the five categories: operating, investing, financing, income taxes and discontinued operations. The first three categories are new ones to improve the structure of the income statement. Also, all companies are required to provide the new defined subtotals (including operating profit or loss). Through the improved structure of the income statement and newly defined subtotals, investors are given a consistent starting point for analyzing the financial performance of companies, thereby making it easier to perform comparison.

(b) Enhance the transparency of management-defined performance measures

Companies are required to give explanations on company-specific measures (i.e., management-defined performance measures) related to the income statement.

(c) More useful grouping of information in the financial statements

The standard gives guidance on how financial information shall be organized, i.e., whether items shall be presented in the primary financial statements or in the notes. This change is expected to provide more detailed and useful information. The standard also requires companies to provide more transparent operating expense information to assist investors with finding and understanding the information they use.

D. Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures (IFRS 19)

The Standard simplifies the disclosure requirements for subsidiaries without public accountability, and allows eligible subsidiaries to choose whether to apply the Standard.

E. Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

The amendments include:

(a) Clarifying that financial liabilities are derecognized on the settlement date, and explain the accounting treatment for financial liabilities settled via electronic payment before the settlement date.

(b) Clarifying how to assess the cash flow characteristics of financial asset with features linked to environmental, social and governance (ESG) or similar contingent features.

(c) Clarifying the treatment of assets with non-recourse features and contractually linked instruments.

(d) Additional disclosure requirements under IFRS 7 for financial assets or liabilities with contingent features (including ESG-linked features) and equity instruments classified as at fair value through other comprehensive income.

F. Annual Improvements to IFRS Accounting Standards (Volume 11)

(a) Amendments to IFRS 1

The amendments improve the consistency of IFRS 1 with IFRS 9, primarily by providing clearer guidance on hedge accounting for first-time adopters.

(b) Amendments to IFRS 7

The amendments update an obsolete cross-reference concerning the derecognition of gains or losses.

(c) Amendments to implementation guidance of IFRS 7

The amendments improve some descriptions within the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price, and credit risk disclosures.

(d) Amendments to IFRS 9

The amendments add cross-references to clarify doubts concerning lessee's derecognition of lease liabilities and the transaction price.

(e) Amendments to IFRS 10

The amendments eliminate the inconsistency between paragraphs B74 and B73 of the Standard.

(f) Amendments to IAS 7

The amendments remove the cost method in paragraph 37 of the Standard.

G. Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

The amendments include:

(a) Clarifying the application of "own-use".

(b) Allowing the adoption of hedge accounting when the contract is used as a hedging instrument.

(c) Introducing additional disclosure requirements to help investors understand the impact of such contracts on a company's financial performance and cash flows.

For the aforementioned standards and interpretations issued by the IASB but not yet endorsed by the FSC, the effective dates are to be determined by the FSC. The potential effects of the new or revised standards or interpretations in paragraphs A and C to G on the Company are under assessment; thus, they cannot be reasonably estimated for now. The adoption of other newly issued or revised standards and interpretations does not have any material impact on the Company.

4. Summary of Significant Accounting Policies

(1) Statement of compliance

The parent company only financial statements for the years ended December 31, 2024 and 2023 have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

The parent company only financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value.

The Company accounts for subsidiaries and associates by using the equity method in the preparation of the parent company only financial statements. In order to agree with the amount of net income, other comprehensive income and equity attributable to shareholders of the parent in the consolidated financial statements, the differences of the accounting treatment between the parent company only basis and the consolidated basis are adjusted through “investments accounted for using the equity method” and “share of profit or loss of subsidiaries and associates accounted for using the equity method” in the parent company only financial statements.

(3) Foreign currency transactions and translation of financial statements in foreign currencies

The Company’s parent company only financial statements are presented in New Taiwan dollars, which is the Company’s functional currency.

Transactions in foreign currencies are initially recognized by the Company at the rates of exchange prevailing at the transaction dates. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the spot rates of that date; non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value is measured; and non-monetary items measured at historical cost that are denominated in foreign currencies are retranslated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement or translation of monetary items are recognized in profit or loss in the period in which they arise, except for the following:

A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

B. Foreign currency items within the scope of IFRS 9 “Financial Instruments” are accounted for based on the accounting policies for financial instruments.

C. Exchange differences arising on a monetary item that forms part of a reporting entity’s net investment in a foreign operation are recognized initially in other comprehensive income and reclassified from equity to profit or loss upon disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

In the preparation of parent company only financial statements, the assets and liabilities of foreign operations are translated into New Taiwan dollars using the closing rates at the reporting date and income and expense items are translated at the average exchange rates for the period. The exchange differences arising on the translation are recognized in other comprehensive income. Upon disposal of the foreign operations, the cumulative exchange differences recognized in other comprehensive income and accumulated in the separate component of equity are reclassified from equity to profit or loss when recognizing the gain or loss on disposal. The partial disposal involving the loss of control of a subsidiary that includes a foreign operation, and the partial disposal of interests in an associate or a joint arrangement that includes a foreign operation while the retained interests are financial assets that include a foreign operation are accounted for as disposals.

On the partial disposal of a subsidiary that includes a foreign operation while retaining control, the proportionate share of the cumulative exchange differences recognized in other comprehensive income is re-attributed to the NCIs in that foreign operation instead of being recognized in profit or loss. In partial disposal of an associate or a joint arrangement that includes a foreign operation while retaining significant influence or joint control, the proportionate share of the cumulative exchange differences is reclassified to profit or loss.

Goodwill arising from the acquisition of a foreign operation and fair value adjustments on the carrying amounts of assets and liabilities of such an acquisition are deemed as assets and liabilities of the foreign operation and expressed in the functional currency of the foreign operation.

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

An asset is classified as current when:

A. the Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle

B. the Company holds the asset primarily for the purpose of trading

C. the Company expects to realize the asset within twelve months after the reporting period

D. the asset is cash or cash equivalent, unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

A. the Company expects to settle the liability in its normal operating cycle

B. the Company holds the liability primarily for the purpose of trading

C. the liability is due to be settled within twelve months after the reporting period

D. at the end of the reporting period, the Company does not have the right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(5) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value (including time deposits with terms equal to or less than three months).

(6) Financial instruments

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

Financial assets and financial liabilities within the scope of IFRS 9 “Financial Instruments” are recognized initially at fair value plus or minus, in the case of financial assets and financial liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial assets or financial liabilities.

A. Recognition and measurement of financial assets

The Company accounts for regular way purchase or sales of financial assets on the trade date basis.

The Company classifies financial assets as subsequently measured at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss based on the following two conditions:

(a) the business model for managing the financial assets, and

(b) the contractual cash flow characteristics of the financial assets

Financial assets at amortized cost

A financial asset satisfying both conditions below is measured at amortized cost and presented as notes receivables, accounts receivables, financial assets at amortized cost or other receivables on the balance sheet:

(a) the business model for managing the financial assets: the financial asset is held to collect its contractual cash flows, and

(b) the contractual cash flow characteristics of the financial assets: cash flows are solely payments of principal and interest on the outstanding principal.

Such financial assets (excluding ones involved in a hedging relationship) are subsequently measured at amortized cost {the amount initially recognized less principal repayments, plus or minus the cumulative amortization of the difference between the initial amount and the maturity amount (calculated using the effective interest method), and adjusted for loss allowance}. A gain or loss is recognized in profit or loss when the financial asset is derecognized, going through the amortization process or recognizing the impairment gains or losses.

Interest calculated by the effective interest method (applying the effective interest rate to the gross carrying amount of financial assets) or under one of the following situations is recognized in profit or loss:

(a) For purchased or originated credit-impaired financial assets, interest is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial assets.

(b) For financial assets that do not belong to the former category but subsequently have become credit-impaired, interest is calculated by applying the effective interest rate to the amortized cost of the financial assets.

Financial assets at fair value through other comprehensive income

A financial asset satisfying both conditions below is measured at fair value through other comprehensive income and presented as financial assets at fair value through other comprehensive income on the balance sheet:

(a) the business model for managing the financial assets: the financial asset is held to collect its contractual cash flows and for sale, and

(b) the contractual cash flow characteristics of the financial assets: cash flows are solely payments of principal and interest on the outstanding principal.

Recognition of gains or losses on such a financial asset is described below:

(a) Prior to its derecognition or reclassification, the gain or loss on a financial asset at fair value through other comprehensive income is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses, which are recognized in profit or loss.

(b) Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

(c) Interest calculated by the effective interest method (applying the effective interest rate to the gross carrying amount of financial assets) or under one of the follow situations is recognized in profit or loss:

  i. For purchased or originated credit-impaired financial assets, interest is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial assets.

  ii. For financial assets that do not belong to the former category but subsequently have become credit-impaired, interest is calculated by applying the effective interest rate to the amortized cost of the financial assets.

In addition, for an equity instrument within the scope of IFRS 9 that is not held for trading and the contingent consideration recognized by an acquirer in a business combination under IFRS 3 does not apply, the Company makes an (irrevocable) election at initial recognition to present its subsequent changes in the fair value in other comprehensive income. Amounts presented in other comprehensive income cannot be subsequently transferred to profit or loss (upon disposal of such equity instrument, its cumulative amount in other equity is transferred directly to retained earnings) and shall be recognized as a financial asset at fair value through other comprehensive income on the balance sheet. Dividends from the investment are recognized in profit or loss unless they clearly represent the recovery of a part of the investment cost.

Financial assets at fair value through profit or loss

Except for financial assets that are measured at amortized cost or at fair value through other comprehensive income due to the satisfaction of certain conditions, all other financial assets are measured at fair value through profit or loss and presented as financial assets at fair value through profit or loss on the balance sheet.

Those financial assets are measured at fair value and the gains or losses resulting from their remeasurement are recognized in profit or loss, which include dividends or interests received on such financial assets.

B. Impairment of financial assets

The Company recognizes and measures the loss allowance for debt instrument investments at fair value through other comprehensive income and financial assets at amortized cost at an amount equal to expected credit losses. The loss allowance on debt instrument investments at fair value through other comprehensive income is recognized in other comprehensive income and does not reduce the carrying amount of the investments.

The Company measures expected credit loss in a way that reflects:

(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

(b) the time value of money; and

(c) reasonable and supportable information about past events, current conditions and forecasts of future economic conditions that is available (without undue cost or effort at the balance sheet date)

The loss allowance is measured as follows:

(a) at an amount equal to 12-month expected credit losses: including financial assets whose credit risk has not increased significantly since initial recognition or ones that are determined to have low credit risk at the balance sheet date. In addition, financial assets whose loss allowance is measured at an amount equal to lifetime expected credit losses in the previous reporting period, but the condition of a significant increase in credit risk since initial recognition is no longer met at the current balance sheet date shall also be included.

(b) at an amount equal to lifetime expected credit losses: including financial assets whose credit risk has increased significantly since initial recognition or purchased or originated credit-impaired financial assets.

(c) for accounts receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

(d) for lease receivables arising from transactions within the scope of IFRS 16, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company assesses whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default at the reporting date and initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

The Company derecognizes a financial asset when

(a) The contractual rights to receive cash flows from the asset have expired;

(b) The Company has transferred the asset as well as substantially all the risks and rewards of the assets; or

(c) The Company has not transferred nor retained substantially all the risks and rewards of the asset, but has transferred the control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or to be received plus any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

D. Financial liabilities and equity instruments

Classification of liability and equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity based on the substance of the contractual agreements and the definitions of financial liabilities and equity instruments.

Equity instruments

Equity instruments are contracts that represent residual interests after the Company deducts all of its liabilities from its assets. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issuance costs.

Compound instruments

The Company determines the liability and equity components of the convertible bonds issued based on the contractual terms. Also, it assesses if the economic characteristics and risks of the call and put options embedded in the bonds are closely related to the host contract before separating the equity component.

The fair value of liability component excluding the derivative instruments is determined based on the interest rate of the market for non-convertible bonds with a similar nature and the component is classified as a financial liability at amortized cost prior to the conversion or settlement of the instrument. As for the part of embedded derivative instruments not closely related to the economic characteristics and risks of the host contract (e.g., embedded call and put options with exercise prices confirmed to be not approximately equal to the amortized cost of the debt instrument on each exercise day), it is classified as a liability component and measured at fair value through profit or loss in the subsequent periods, unless it qualifies as an equity component. The amount of equity component is determined as the fair value of convertible bonds less the liability component and its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bonds do not have an equity component, it is accounted for as a hybrid instrument pursuant to IFRS 9.

Transaction costs are allocated between the liability and equity components using the percentages for allocating the proceeds of the convertible bonds to the liability and equity components at the initial recognition.

Where a bondholder demands to exercise his/her conversion right before the maturity, the carrying amount of the liability component shall be adjusted to the carry amount as of the conversion date to serve as the basis to account for the issuance of common stocks.

Financial liabilities

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss or financial liabilities at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss.

Financial liabilities are classified as held for trading when

(a) They are acquired principally for the purpose of being sold in the near future;

(b) They are part of a portfolio of identifiable financial instruments managed together upon initial recognition and there is evidence of a short-term profit-taking pattern recently; or

(c) They are derivative instruments (except for derivatives that are financial guarantee contracts or designated and effective hedging instruments.)

For contracts containing one or more embedded derivative instruments, the entire hybrid (combined) contracts may be designated as financial liabilities at fair value through profit or loss. They would be designated as at fair value through profit or loss upon initial recognition when one of the following conditions is met and more relevant information can be provided:

(a) The designation can eliminate or significantly reduce inconsistencies in measurement or recognition; or

(b) A group of financial liabilities or a group of financial assets and liabilities is managed and assessed for its performance on a fair value bases pursuant to a documented risk management or investment strategy and the group information provided internally to the management team is also on a fair value basis.

Gains or losses resulting from the remeasurement of such financial liabilities, including interests paid, are recognized in profit or loss.

Financial liabilities at amortized costs

Financial liabilities at amortized costs include payables and loans. After initial recognition, they are measured using the effective interest method. When financial liabilities are derecognized and amortized using the effective interest method, the resulting gains and losses as well as amortization expenses are recognized in profit or loss.

The calculation of amortized cost takes into account the discounts or premiums at the time of acquisition and transaction costs.

Derecognition of financial liabilities

Financial liabilities are derecognized when the obligations of the liabilities are discharged, cancelled or expired.

When there has been an exchange of debt instruments with substantially different terms between the Company and the creditors or a substantial modification on all or a part of terms of the existing financial liabilities (whether or not due to financial difficulties), the accounting treatment is to derecognize the original liabilities while recognizing the new liabilities. Upon derecognition, the difference between the carrying amount and the consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

E. Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset with the net amount presented on the balance sheet only when the Company has a current and legally enforceable right to offset the recognized amounts and an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

(7) Derivative instruments

The Company uses derivative instruments to hedge its foreign currency risk and interest rate risk. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss (held for trading), except for ones that are designated effective hedging instruments which are classified as derivative assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the dates on which derivative contracts are entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges and hedges of a net investment in a foreign operation, which is recognized in equity.

Where the host contracts are non-financial assets or non-financial liabilities, derivatives embedded in host contracts are accounted for as separate derivatives if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss.

(8) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place in one of the following markets:

A. The principal market of the asset or liability, or

B. In the absence of a principal market, the most advantageous market for the asset or liability.

The principal or the most advantageous market shall be the one accessible to the Company.

The fair value measurement of assets or liabilities uses the assumptions adopted by market participants when determining the prices of the assets or liabilities. Market participants are assumed to act in their economic best interest.

The fair value measurement of non-financial assets takes into account the market participants' ability to generate economic benefits through the highest and best use of the assets or by selling the assets to another market participant who would use the assets in their highest and best use.

The Company adopts valuation techniques that are appropriate under the circumstance and have sufficient data available for fair value measurement. It maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

(9) Inventories

Inventories are valued at the lower of cost or net realizable value item by item.

Costs incurred in bringing each inventory to its present condition and location are accounted for as follows:

Raw materials	-	Actual purchase cost
Work in progress and finished goods	-	Cost of direct materials, labor and manufacturing overheads allocated based on normal operating capacity. Borrowing costs are excluded.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs necessary to make the sale.

(10) Investments accounted for using the equity method

The Company accounts for its investments in subsidiaries and associates using the equity method, except for ones classified as non-current assets held for sale.

A. Investment in subsidiaries

A subsidiary is an entity controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost. After the acquisition date, the carrying amount is adjusted to reflect the Company's share of profit or loss and other comprehensive income of the subsidiary. The Company recognizes its share of profit or loss and other comprehensive income of the subsidiary in profit or loss and other comprehensive income. Earning distributions received from the subsidiary reduce the carrying amount of the investment.

Unrealized gains or losses from downstream transactions between the Company and its subsidiaries are eliminated in the Company's parent company only financial statements. Profits and losses from upstream and lateral transactions are recognized in the Company's parent company only financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

Financial statements of subsidiaries are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring subsidiaries' accounting policies into line with those used by the Company.

When changes in a subsidiary's equity are not caused by profit or loss or other comprehensive income, and such changes do not affect the Company's ownership percentage, the Company recognizes related changes in equity according to its ownership percentage. Changes in the Company's ownership interests in a subsidiary that do not result in the Company losing control over the subsidiary are accounted for as equity transactions. The difference between the carrying amount of the investment and the fair value of consideration paid or received is recognized directly in equity.

The Company ceases to use the equity method when it loses control over the subsidiary. The retained investment is measured and recognized at fair value. The difference between the carrying amount of the former subsidiary and the fair value of the remaining investment plus proceeds from disposal is recognized in profit or loss. If an investment in a subsidiary becomes an investment in a joint venture or vice versa, the Company continues to apply the equity method and does not remeasure the interest previously held.

The Company determines at each reporting date whether there is any objective evidence that the investments in subsidiaries are impaired. The difference between the recoverable amount and the carrying value of the subsidiary is recognized as an impairment loss in the statement of comprehensive income and the carrying amount of the investment is adjusted accordingly.

B. Investment in associates

An associate is an entity over which the Company has significant influence and that is not a subsidiary. Significant influence refers to the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Difference between the Company's investment cost and the share of fair value of associates' identifiable assets and liabilities is accounted for as follows:

(a) Any excess of the investment cost over the Company's share of fair value of associates' identifiable assets and liabilities as of the acquisition date is recognized as goodwill and included in the carrying amount of the investment. Goodwill cannot be amortized.

(b) Any excess of the Company's share of net fair value of associates' identifiable assets and liabilities over the investment cost is recognized as a gain in profit or loss on the investment date, after reassessing the fair value.

Under the equity method, an investment in an associate is initially recognized at cost. After the acquisition date, the carrying amount is adjusted to reflect the Company's share of profit or loss and other comprehensive income of the associate. The Company recognizes its share of profit or loss and other comprehensive income of the associate in profit or loss and other comprehensive income. Earning distributions received from the associate reduce the carrying amount of the investment. Any unrealized gains or losses resulting from transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates.

The financial statements of the associates are prepared for the same reporting period as the Company and adjustments are made for their accounting policies to be consistent with the ones adopted by the Company.

If the Company subscribes more shares than its original ownership percentage when an associate issues new shares, while maintaining its significant influence over that associate, such an increase would be accounted for as an additional investment in the associate. If the Company's subscription results in a decrease in its ownership percentage while maintaining significant influence over that associate, a proportionate share of gain or loss previously recognized in other comprehensive income is reclassified to profit or loss. When the Company subscripts or acquires shares of associates in a percentage differs from its existing shareholding percentage which in turn changes its net interest in the associate, the change is adjusted through capital surplus. Where the change in equity of an associate does not result from its profit or loss or other comprehensive income, and such changes do not affect the Company's ownership percentage, the Company recognizes its proportionate share of all related changes in equity. Upon disposal of the associate, the Company reclassifies the aforementioned capital surplus to profit or loss on a pro rata basis.

The Company ceases to use the equity method when it loses significant influence over the associate. The retained investment is measured and recognized at fair value. The difference between the carrying amount of the former associate and the fair value of the remaining investment plus proceeds from disposal is recognized in profit or loss. If an investment in an associate becomes an investment in a joint venture or vice versa, the Company continues to apply the equity method and does not remeasure the interest previously held.

The Company determines at each reporting date whether there is any objective evidence that the investments in associates are impaired. The difference between the recoverable amount and the carrying value of the associate is recognized as an impairment loss in the statement of comprehensive income and the carrying amount of the investment is adjusted accordingly.

(11) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located, and borrowing costs for construction in progress if the recognition criteria are met. Each part of property, plant and equipment with a cost that is significant in relation to the total cost is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognizes such parts separately as individual assets with specific useful lives and depreciation methods. The carrying amount of those parts is derecognized in accordance with the provisions of IAS 16 “Property, Plant and Equipment.” When a major inspection is performed, the cost is recognized in the carrying amount of the plant and equipment as a replacement cost if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	5 to 50 years
Machinery and equipment	5 to 10 years
Hydropower equipment	5 to 20 years
Testing equipment	10 years
Miscellaneous equipment	5 to 20 years

An item or any significant part of property, plant and equipment initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed at the end of each financial year. If the expected values differ from the estimates, the differences are recorded as a change in accounting estimate.

(12) Leases

On the dates the contracts are established, the Company assesses whether the contracts are (or contain) leases. If a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, the contract is defined as (or contains) a lease. To assess if a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether the following two conditions are met during the period of use:

A. Having the right to obtain substantially all of the economic benefits from the use of identified asset; and

B. Having the right to direct the use of identified asset.

For contracts that are (or contain) leases, the Company accounts for each lease component as a lease and handles separately from the non-lease components within the contracts. For contracts that contain one lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contracts to the lease component on the basis of the relative stand-alone price of each lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone prices of lease and non-lease components are determined based on the prices that the lessor (or a similar supplier) would charge for those components (or similar components) separately. If an observable stand-alone price is not readily available, the Company would maximize the use of observable information to estimate the stand-alone price.

<u>The Company being a lessee</u>

Except for short-term leases or leases of low value assets, when the Company is a lessee to lease contracts, it recognizes right-of-use assets and lease liabilities for all leases.

On the commencement date, the Company measures lease liabilities by the present value of outstanding lease payments. If the interest rate implicit in the lease can be readily determined, lease payments would be discounted using this rate. If the rate cannot be readily determined, the Company would use the incremental borrowing rate of lessee. On the commencement date, lease payments for lease liabilities include the following outstanding payments which are related to the right to use the underlying asset during the lease term:

A. Fixed payments (including in-substance fixed payments), less any lease incentives receivable;

B. Variable lease payments that are determined by an index or a rate (adopting the initial measurement of the index or rate on the commencement date);

C. Amounts expected to be paid by the lessee under residual value guarantees;

D. The exercise price of a purchase option if the Company is reasonably certain to exercise the option; and

E. Penalties to be paid for terminating the lease, if the lease term reflects that the lessee will exercise the option to terminate the lease.

After the commencement date, the Company measures lease liabilities on amortized cost basis. It increases the carrying amount of lease liabilities via the effective interest method to reflect the interest of lease liabilities. The carrying amount of lease liabilities is reduced when lease payments are made.

The Company measures right-of-use assets at cost on the commencement date. The costs of right-of-use assets include:

A. The initial measurement amount of lease liabilities;

B. All lease payments made on or before the commencement date, less any lease incentives received;

C. Any initial direct costs incurred by the lessee; and

D. The estimated costs for the lessee to dismantle and remove the underlying asset and restore its original location or to restore the underlying asset to the conditions required by the lease terms and conditions.

The right-of-use assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, i.e., the cost model is adopted to measure the right-of-use assets.

If the underlying assets' ownership is transferred to the Company at the end of lease term, or the cost of right-of-use assets reflects the fact that the Company will exercise the purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of underlying assets' useful life. Otherwise, the Company depreciates the right-of-use assets from the commencement date to the end of underlying assets' useful life or the end of lease term, whichever is earlier.

The Company applies IAS 36 "Impairment of Assets" to determine whether the right-of-use assets are impaired and account for any impairment loss identified.

Except for short-term leases or leases of low value assets, the Company recognizes right-of-use assets and lease liabilities on the balance sheets and lease-related depreciation and interest expenses on the statements of comprehensive income.

For short-term leases or leases of low value assets, the Company elects to adopt the straight-line basis or another systematic basis to recognize the lease payments associated with the leases as expenses during the lease terms.

The Company being a lessor

On the date the contract is established, the Company classifies each lease as an operating or finance lease. If the lease transfers substantially all of the risks and rewards incidental to the underlying asset's ownership, it is classified as a finance lease; otherwise, it is classified as an operating lease. On the commencement date, the Company recognizes its assets under finance leases at net investment amounts on the balance sheet as finance lease receivable.

For contracts that contain lease and non-lease components, the Company adopts IFRS 15 to allocate the considerations of contracts.

The Company adopts the straight-line basis or another systematic basis to recognize lease payments from operating leases as rental income. Variable lease payments under operating leases that are not determined by an index or a rate are recognized as rental income as incurred.

(13) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, which fail to meet the recognition criteria, are not capitalized. They are recognized in profit or loss as incurred.

The useful lives of intangible assets are categorized as either finite or indefinite.

Intangible assets with finite lives are amortized on a straight-line basis over the useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and method of an intangible asset with a finite useful life are reviewed at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization method or period, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit (CGU) level. The assessment of indefinite life is reviewed annually to determine whether events or circumstances continue to support an indefinite useful life. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are recognized in profit or loss.

In-process intangible assets - research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Company can demonstrate:

A. the technical feasibility of completing the intangible asset so that it will be available for use or sale

B. its intention to complete and its ability to use or sell the asset

C. how the asset will generate future economic benefits

D. the availability of resources to complete the asset

E. the ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the cost model is applied, i.e., the asset is required to be carried at cost less any accumulated amortization and accumulated impairment losses. During the period of development, the asset is tested for impairment annually. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit.

(14) Impairment of non-financial assets

The Company assesses whether there is any indication that an asset in the scope of IAS 36 “Impairment of Assets” may be impaired at the end of each reporting period. If any such indication exists, or when annual impairment testing for an asset is required, the Company would conduct impairment tests at individual or CGU level. Where the carrying amount of an asset or its CGU exceeds its recoverable amount, the asset is considered impaired. An asset’s recoverable amount is the higher of an asset’s net fair value or its value in use.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the recoverable amount of the asset or CGU. A previously recognized impairment loss is reversed only if there has been a change in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized for the asset in prior years.

A CGU, or groups of CGUs, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the CGU (or group of units), then to the other assets of the unit (or group of units) pro rata based on the carrying amount of each asset in the unit (or group of units.) Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

Impairment loss or reversals of continuing operations are recognized in profit or loss.

(15) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, of which amount can be reliably estimated. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset only when it is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the liability due to the passage of time is recognized as a borrowing cost.

If the obligation arises over a period of time, the provision for levies is recognized progressively.

(16) Revenue recognition

The Company's revenue from contracts with customers mostly involves the sale of goods. The accounting treatment is detailed as follows:

The Company manufactures and sells goods. Revenues are recognized when goods have been delivered to the customers and customers have obtained control (i.e., the customers can direct the use of goods and obtain substantially all remaining benefits from the goods). The main products of the Company are flexible copper-clad laminate, cover-layer, bonding sheet, stiffener and composite film. Revenues are recognized based on the prices stated on the contracts.

The credit terms of accounts receivables are set at monthly settlement with payment in 60 to 180 days. Accounts receivables are recognized when the control over goods is transferred and the Company has an unconditional right to collect the considerations. Those accounts receivables usually have a short collection period and do not have a significant financing component.

As for contracts where a part of the considerations is collected upon signing the contracts, the Company assumes the obligations to transfer the goods subsequently. Thus, they are recognized as contract liabilities. As it usually takes less than one year for the said contract liabilities to be reclassified to revenue, no significant financing component has arisen.

(17) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial time period to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(18) Post-employment benefit plans

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company. Therefore, fund assets are not included in the parent company only financial statements.

For the defined contribution plan, the Company would make monthly contributions of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. The remeasurements of net defined benefit liability (asset) include return on plan assets and any changes in the effect of the asset ceiling, and exclude amounts included in the net interest on the net defined benefit liability (asset) and actuarial gains and losses. The remeasurements of net defined benefit liability (asset) are recognized in other comprehensive income in the periods they occur and immediately recognized in the retained earnings. Past service cost is the change in the present value of defined benefit obligation due to plan amendments or curtailments. It is recognized as an expense at the earlier of the following two dates:

A. when a plan amendment or curtailment occurs; and

B. when the Company recognizes any related restructuring costs or termination benefits.

Net interest on the net defined benefit liability (asset) is determined by multiplying the net defined benefit liability (asset) by the discount rate. Both net defined benefit liability (asset) and discount rate are determined at the beginning of annual reporting period. Changes in net defined benefit liability (asset) due to actual contributions and benefits paid during the period shall be taken into consideration.

(19) Share-based payment transactions

The cost of equity-settled share-based payment transactions between the Company and its employees is recognized based on the fair value of the equity instruments on the grant date. The fair value of the equity instruments is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the service and performance conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The movement in cumulative cost recognized for share-based payment transactions as at the beginning and end of that period is recognized as profit or loss for the period.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition. In which case, relevant expense is recognized when all service or performance conditions are satisfied, irrespective of whether the market or non-vesting condition is satisfied.

When modifying the terms of an equity-settled transaction, the minimum expense to be recognized is the original payment cost as if the terms have not been modified. An additional cost is recognized for modifications which increase the total fair value of the share-based payment transaction or are beneficial to the employees.

If the award plan is cancelled, it is deemed as if it is vested on the cancellation date, and any expense not yet recognized for the remaining share-based payments is recognized immediately. The expense includes awards where non-vesting conditions within the control of either the Company or the employees are not met. If the awards cancelled are replaced by new ones and the replacement is confirmed on the grant date, both the cancelled and new award plans are deemed as modifications to the original award plan.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(20) Income tax

Income tax expense (benefit) is the aggregate amount included in the determination of profit or loss for the period in respect of current income tax and deferred income tax.

Current income tax

Current income tax liabilities (assets) for the current and prior periods are measured based on the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity respectively, instead of in profit or loss.

The additional income tax for undistributed earnings is recognized as income tax expense on the date when the distribution proposal is approved in the shareholders' meeting.

Deferred income tax

Deferred income tax is the temporary difference between the tax bases of assets and liabilities and their carrying amounts in balance sheet at the reporting date.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

A. Where the taxable temporary differences arise from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit (loss) nor gives rise to equal taxable and deductible temporary differences;

B. Where the taxable temporary differences are associated with investments in subsidiaries and associates and the timing of the reversal of the differences can be controlled; and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, unused tax losses and carryforward of unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and carryforward of unused tax credits can be utilized, except:

A. Where the deferred income tax asset is related to the deductible temporary difference arising from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit (loss) nor gives rise to equal taxable and deductible temporary differences; and

B. Where the deferred income tax asset is related to the deductible temporary differences associated with investments in subsidiaries and associates. The deferred income tax asset is recognized only to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred income tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred income tax relating to items recognized outside profit or loss cannot be recognized in profit or loss. Instead, it is recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred income tax assets are reassessed and recognized at each reporting date.

Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Pursuant to the temporary exception of the “International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12)”, the Company does not recognize deferred income tax assets and liabilities related to pillar two income taxes nor disclose relevant information.

5. Significant Accounting Judgments and Major Sources of Estimation Uncertainty

The preparation of the Company’s parent company only financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(1) Major sources of estimation and uncertainty

The key sources of estimation and uncertainty concerning the future at the reporting date that may result in significant risks for a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year are discussed as follows:

A. Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including income approach (for example, the discounted cash flows model) or the market approach. Changes in assumptions of those models could affect the fair value of the reported financial instruments. Please refer to Note 12 for details.

B. Receivables - impairment loss estimate

The Company estimates the impairment loss of receivables by measuring the lifetime expected credit losses. Credit loss is calculated as the present value of the difference between contractual cash flows that are due to the Company under contracts (the carrying amount) and cash flows the Company expects to receive (by assessing the forward-looking information). For short-term receivables, as the discount effect is not significant, credit loss is measured using the undiscounted difference. Less-than-expected future cash flows could result in significant impairment charges. Please refer to Note 6(18) for details.

C. Inventories

The estimates of net realizable value for inventory take into account inventory spoilage, total or partial obsolescence or selling price declines. They are based on the most reliable evidence available when those estimates are made. Please refer to Note 6(6) for details.

D. Impairment of non-financial assets

Where the carrying amount of an asset or a CGU exceeds its recoverable amount, the asset or CGU is considered impaired. The recoverable amount is the higher of the fair value net of costs of disposal or value in use of the asset or CGU. The fair value net of costs of disposal is calculated by subtracting the incremental costs that are directly attributable to the disposal of the asset or CGU from the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The value in use is calculated based on the discounted cash flows model. The estimated cash flows are based on a budget for the next five years and shall exclude restructurings the Company has yet to commit to or major investments in later periods that are necessary for enhancing the said CGU's performance. The recoverable amount is easily influenced by the discount rate used in the discounted cash flows model and the expected future cash inflows and growth rate applied for extrapolation purposes. Please refer to Note 6 for details on the principal assumptions for determining the recoverable amounts of different CGUs, including the sensitivity analysis.

E. Post-employment benefit plans

The cost of pension plan and the present value of defined benefit obligation within the post-employment benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions, including the discount rates and expected future salary changes. The assumptions used for measuring pension cost and defined benefit obligation are disclosed in Note 6(14).

F. Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences between the actual results and the assumptions made or future changes to such assumptions could necessitate future adjustments to tax benefit and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates.

Deferred income tax assets are recognized for unused tax losses, carryforward of unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred income tax assets to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies. Deferred income tax assets which have not been recognized by the Company as of December 31, 2024 are disclosed in Note 6(22).

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

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and petty cash	$ 333	$ 333
Bank deposits	1,874,608	877,214
Repurchased agreements	49,845	-
Total	$ 1,924,786	$ 877,547

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

	December 31, 2024	December 31, 2023
Mandatorily at fair value through profit or loss:		
Derivative instruments not designated in a hedging relationship		
- Forward foreign exchange contracts	$ 1,705	$ 4,867
Stocks	30,555	27,754
Designated as at fair value through profit or loss:		
- Redemption option of convertible bonds	125	-
Total	$ 32,385	$ 32,621

The Company's financial assets at fair value through profit or loss were not pledged.

(3) Financial assets at amortized cost - current

	December 31, 2024	December 31, 2023
Time deposits - current	$ 200,000	$ -

Some financial assets were classified as financial assets at amortized cost by the Company and they were not pledged. Please refer to Note 12 for information concerning credit risk.

(4) Notes receivable, net

	December 31, 2024	December 31, 2023
Notes receivable, net	$ 576	$ 444

The Company's notes receivables were not pledged.

The Company adopted IFRS 9 for impairment assessment. Please refer to Note 6(18) for details on loss allowance and Note 12 for credit risk.

(5) Accounts receivable, net

	December 31, 2024	December 31, 2023
Accounts receivable	$ 2,002,430	$ 1,981,396
Less: Loss allowance	(36,685)	(13,428)
Subtotal	1,965,745	1,967,968
Accounts receivable - related parties	712,149	645,444
Total	$ 2,677,894	$ 2,613,412

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

A. The Company's accounts receivables were not pledged.

B. The credit terms of accounts receivables are generally set at monthly settlement with payment in 60 to 180 days. Please refer to Note 6(18) for loss allowance for the years ended December 31, 2024 and 2023, and Note 12 for credit risk.

(6) Inventories, net

	December 31, 2024	December 31, 2023
Raw materials	$ 460,073	$ 572,093
Inventories in transit	11,893	27,449
Supplies	8,366	7,262
Work in progress	67,323	31,933
Finished goods	511,047	351,775
Merchandise	1,521	2,081
Total	$ 1,060,223	$ 992,593

The Company recognized NT$6,459,603 thousand and NT$5,371,905 thousand of operating costs associated with inventories for the years ended December 31, 2024 and 2023, respectively. Inventory valuation loss for inventories written down to their net realizable value amounted to NT$22,000 thousand and NT$10,747 thousand for the years ended December 31, 2024 and 2023, respectively, and was recognized as an addition to operating costs.

The aforementioned inventories were not pledged.

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

	December 31, 2024	December 31, 2023
Investments in equity instruments at fair value through other comprehensive income - non-current:		
Publicly traded stocks	$ 436,144	$ 426,661
Non-publicly traded stocks	-	-
Total	$ 436,144	$ 426,661

The dividend income from equity instruments at fair value through other comprehensive income held by the Company for the years ended December 31, 2024 and 2023 is as follows:

	Years Ended December 31	
	2024	2023
Dividend income recognized for the period	$ 9,741	$ 14,120

The said financial assets at fair value through other comprehensive income were not pledged. As of December 31, 2024, the unrealized valuation gain on financial assets at fair value through other comprehensive income was recognized upon evaluation under valuation adjustment of investments in equity instruments at fair value through other comprehensive income. Please refer to Table 3 for details.

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

(8) Investments accounted for using the equity method

Investee	December 31, 2024 Amount	December 31, 2024 Ownership Percentage	December 31, 2023 Amount	December 31, 2023 Ownership Percentage
Investments in subsidiaries:				
Taistar Co., Ltd.	$ 811,460	100.00%	$ 795,519	100.00%
Leadmax Limited	-	(Note)-	525	100.00%
Koatech Technology Corp.	108,433	52.97%	175,817	52.97%
Taichem Materials Co., Ltd.	315,251	100.00%	291,960	100.00%
Taiflex Green Power Co., Ltd.	53,041	100.00%	51,689	100.00%
TFS Co., Ltd.	531,679	100.00%	519,027	100.00%
Taiflex Scientific Japan Co., Ltd.	14,554	100.00%	14,746	100.00%
Richstar Co., Ltd.	1,508,065	73.94%	1,472,206	73.94%
Taiflex USA Corporation	12,017	100.00%	10,965	100.00%
Taiflex Scientific (Thailand) Co., Ltd.	1,088,707	100.00%	816,689	100.00%
Subtotal	4,443,207		4,149,143	
Investments in associates:				
Innovision FlexTech Corp.	10,252	10.62%	15,152	12.97%
Subtotal	10,252		15,152	
Total	$ 4,453,459		$ 4,164,295	

(Note): Leadmax was liquidated in February 2024.

The aforementioned investments accounted for using the equity method were not pledged.

Fair value when there is a quoted market price: Innovision FlexTech Corp. is a company listed on the Emerging Stock Board of Taipei Exchange. The fair value of the Company's investment in Innovision FlexTech Corp. amounted to NT$25,105 thousand and NT$33,846 thousand as of December 31, 2024 and 2023, respectively. The fair value is classified as Level 1 in the fair value hierarchy.

A. The shares of profit or loss of subsidiaries and associates accounted for using the equity method for the years ended December 31, 2024 and 2023 were as follows:

Investee	Years Ended December 31 2024	Years Ended December 31 2023
Taistar Co., Ltd.	$ (10,449)	$ (11,531)
Leadmax Limited	-	(128)
Innovision FlexTech Corp.	(2,109)	(11,162)
Koatech Technology Corp.	(67,903)	(70,114)
Taichem Materials Co., Ltd.	63,419	59,662
Taiflex Green Power Co., Ltd.	1,352	1,081
TFS Co., Ltd.	(4,533)	11,558
Taiflex Scientific Japan Co., Ltd.	327	240
Richstar Co., Ltd.	(12,861)	1,387
Taiflex USA Corporation	312	669
Taiflex Scientific (Thailand) Co., Ltd.	(55,632)	(6,740)
Total	$ (88,077)	$ (25,078)

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

B. The Company accounted for Innovision FlexTech Corp. (Innovision) using the equity method as it had significant influence over the investee through ownership and representation on Innovision's board of directors.

C. The summarized financial information of the Company's investments in associates was as follows:

	December 31, 2024	December 31, 2023
Total assets	$ 245,630	$ 256,117
Total liabilities	$ 150,849	$ 139,292

	Years Ended December 31	
	2024	2023
Revenue	$ 153,043	$ 198,114
Net income (loss)	$ (22,367)	$ (85,034)

(9) Property, plant and equipment

	December 31, 2024	December 31, 2023
Owner-occupied property, plant and equipment	$ 2,206,847	$ 2,400,662

A. Owner-occupied property, plant and equipment

	As of January 1, 2024	Addition	Disposal	Reclassification	As of December 31, 2024
Cost					
Buildings	$ 1,200,923	$ 10,132	$ -	$ 72,394	$ 1,283,449
Machinery and equipment	2,990,128	53,516	(236)	291,350	3,334,758
Hydropower equipment	403,684	11,245	-	35,742	450,671
Testing equipment	308,213	12,900	(9,286)	18,223	330,050
Miscellaneous equipment	239,175	4,209	(12,488)	2,226	233,122
Total	$ 5,142,123	$ 92,002	$ (22,010)	$ 419,935	$ 5,632,050
Accumulated depreciation and impairment					
Buildings	$ 445,818	$ 53,992	$ -	$ -	$ 499,810
Machinery and equipment	2,142,635	188,438	(236)	-	2,330,837
Hydropower equipment	275,785	18,864	-	-	294,649
Testing equipment	211,878	24,004	(8,901)	-	226,981
Miscellaneous equipment	166,171	17,823	(12,488)	-	171,506
Total	$ 3,242,287	$ 303,121	$ (21,625)	$ -	$ 3,523,783
Construction in progress and equipment awaiting inspection	500,826	20,026	-	(422,272)	98,580
Net	$ 2,400,662				$ 2,206,847

	As of January 1, 2023	Addition	Disposal	Reclassification	As of December 31, 2023
Cost					
Buildings	$ 1,091,208	$ 110,435	$ (720)	$ -	$ 1,200,923
Machinery and equipment	2,840,121	321,069	(171,062)	-	2,990,128

(Continued)

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

	As of January 1, 2023	Addition	Disposal	Reclassification	As of December 31, 2023
Hydropower equipment	$ 402,893	$ 8,694	$ (7,903)	$ -	$ 403,684
Testing equipment	303,838	4,524	(149)	-	308,213
Miscellaneous equipment	209,912	30,296	(1,033)	-	239,175
Total	$ 4,847,972	$ 475,018	$ (180,867)	$ -	$ 5,142,123
Accumulated depreciation and impairment					
Buildings	$ 393,093	$ 53,445	$ (720)	$ -	$ 445,818
Machinery and equipment	1,972,304	172,039	(1,708)	-	2,142,635
Hydropower equipment	266,884	16,804	(7,903)	-	275,785
Testing equipment	187,584	24,443	(149)	-	211,878
Miscellaneous equipment	148,908	18,296	(1,033)	-	166,171
Total	$ 2,968,773	$ 285,027	$ (11,513)	$ -	$ 3,242,287
Construction in progress and equipment awaiting inspection	455,462	55,433	-	(10,069)	500,826
Net	$ 2,334,661				$ 2,400,662

(Concluded)

B. Property, plant and equipment were not pledged.

(10) Intangible assets

	As of January 1, 2024	Addition	Disposal	Reclassification	As of December 31, 2024
Cost					
Trademarks	$ 515	$ -	$ -	$ -	$ 515
Patents	12,919	83	-	-	13,002
Computer software	160,240	7,518	-	1,964	169,722
Total	$ 173,674	$ 7,601	$ -	$ 1,964	$ 183,239
Amortization and impairment					
Trademarks	$ 407	$ 45	$ -	$ -	$ 452
Patents	6,837	630	-	-	7,467
Computer software	89,062	18,954	-	-	108,016
Total	96,306	$ 19,629	$ -	$ -	115,935
Net	$ 77,368				$ 67,304

	As of January 1, 2023	Addition	Disposal	Reclassification	As of December 31, 2023
Cost					
Trademarks	$ 691	$ -	$ (176)	$ -	$ 515
Patents	18,768	243	(6,092)	-	12,919
Computer software	237,643	-	(86,083)	8,680	160,240
Total	$ 257,102	$ 243	$ (92,351)	$ 8,680	$ 173,674
Amortization and impairment					
Trademarks	$ 534	$ 49	$ (176)	$ -	$ 407
Patents	12,177	752	(6,092)	-	6,837

(Continued)

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

	As of January 1, 2023	Addition	Disposal	Reclassification	As of December 31, 2023
Computer software	$ 154,613	$ 20,532	$ (86,083)	$ -	$ 89,062
Total	167,324	$ 21,333	$ (92,351)	$ -	96,306
Net	$ 89,778				$ 77,368

(Concluded)

(11) Financial liabilities at fair value through profit or loss - current

	December 31, 2024	December 31, 2023
Held for trading:		
Derivative financial instruments not designated in a hedging relationship		
- Forward foreign exchange contracts	$ 2,254	$ -
Designated as at fair value through profit or loss:		
- Convertible bonds - put option	-	1,556
Total	$ 2,254	$ 1,556

(12) Bonds payable

	December 31, 2024	December 31, 2023
Overseas unsecured convertible bonds payable	$ 245,543	$ 1,891,501
Less: Current portion	-	(1,891,501)
Net	$ 245,543	$ -

Overseas unsecured convertible bonds payable

	December 31, 2024	December 31, 2023
Liability component:		
Overseas unsecured convertible bonds payable - principal amount	$ 250,110	$ 1,945,300
Overseas unsecured convertible bonds payable - discounts	(4,567)	(53,799)
Subtotal	$ 245,543	$ 1,891,501
Less: Current portion	-	(1,891,501)
Net	$ 245,543	$ -
Embedded derivative financial instruments	$ 125	$ (1,556)
Equity component	$ 9,026	$ 70,203

The Company issued its first overseas unsecured convertible bonds at zero coupon rate on the Singapore Exchange Securities Trading Limited on November 30, 2021. Based on the contractual terms, the bonds contain a liability component (host contract), embedded derivative financial instruments (options for the issuer to redeem the bonds and the bondholders to request for redemption) and an equity component (an option for bondholders to request for conversion into issuer’s common stocks). The key terms of the bonds are as follows:

Issue amount: US$70,000 thousand (NT$1,945,300 thousand)

Period: November 30, 2021 to November 30, 2026

Major redemption and put option clauses:

A. The bonds are converted into U.S. dollars equivalent to the New Taiwan dollar amount using a fixed exchange rate for the repayment, repurchase and redemption of the bonds. The fixed exchange rate is determined with reference to the US$/NT$ fixing published by Taipei Forex Inc. at 11 a.m. on the pricing date (i.e., the Fixed Exchange Rate is US$1.00 = NT$27.79).

B. After three months of the issuance and prior to the maturity date, the Company may redeem the outstanding convertible bonds in cash at the "Early Redemption Amount" when the closing price (converted into U.S. dollars at the applicable prevailing exchange rate) of the Company's common stocks listed on the TWSE is at least 130% of the total amount determined by multiplying the Early Redemption Amount by the conversion price (translated into U.S. dollars at the Fixed Exchange Rate determined on the pricing date) and divided by the principal amount of the bonds for a period of thirty consecutive trading days. The Early Redemption Amount is converted to New Taiwan dollars using the Fixed Exchange Rate, and the New Taiwan dollars amount will be converted into U.S. dollars using the prevailing exchange rate (the US$/NT$ fixing published by Taipei Forex Inc. at 11 a.m.) for payments in U.S. dollars.

C. When more than 90 percent of the bonds have been redeemed, converted, repurchased and cancelled, the Company may redeem the outstanding bonds early, in whole but not in part, at the "Early Redemption Amount."

D. When changes in the tax laws of the ROC would result in an increase in costs for the Company, the Company may redeem the outstanding bonds early, in whole but not in part, at the "Early Redemption Amount." For bondholders who choose not to have their bonds redeemed, they shall not request the Company to bear the additional taxes or expenses.

E. The bondholders may request the Company to redeem all or part of the corporate bonds three years after the issue date (i.e., the holder's put date is November 30, 2024) at the "Early Redemption Price." The "Early Redemption Price" is converted to New Taiwan dollars using the Fixed Exchange Rate, and the New Taiwan dollars amount will be converted into U.S. dollars using the prevailing exchange rate (the US$/NT$ fixing published by Taipei Forex Inc. at 11 a.m.) for payments in U.S. dollars.

F. When the Company's common stocks cease to be listed on the TWSE or are suspended from trading for a period of thirty consecutive trading days or more, the bondholders may request the Company to redeem the corporate bonds, in whole but not in part, at the "Early Redemption Price."

G. Upon the occurrence of a change of control as defined in the bond indenture, the bondholders may request the Company to redeem the corporate bonds, in whole but not in part, at the "Early Redemption Price."

Terms of conversion:

A. Underlying securities: Common stocks of the Company

B. Conversion period: Bondholders have the right to convert their bonds into the Company's common stocks from the day immediately following the 90-day period from the issue date to (1) 10 days prior to the maturity date or (2) no later than five business days prior to the holder's put date or the date when the Company exercises early redemption.

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

C. Conversion price and its adjustments: The conversion price is set at NT$53.5 per share at the time of issuance. When the conversion price needs to be adjusted due to circumstances set out in the bond indenture, it shall be adjusted according to formula in the indenture. The conversion price as of December 31, 2024 was NT$44.78 per share.

D. Redemption on maturity date: Upon maturity, the bonds will be redeemed at 100% of the outstanding principal amount (i.e., the "Redemption Amount at Maturity"). The Redemption Amount at Maturity is converted to New Taiwan dollars using the Fixed Exchange Rate, and the New Taiwan dollars amount will be converted into U.S. dollars using the prevailing exchange rate (the US$/NT$ fixing published by Taipei Forex Inc. at 11 a.m.) for payments in U.S. dollars.

As of December 31, 2024, the total amount converted was US$61,000 thousand (NT$1,695,190 thousand).

(13) Long-term loans

Details of long-term loans as of December 31, 2024 and 2023 were as follows:

Creditor	2024.12.31	Contract Term and Repayment
Export-Import Bank of the Republic of China - credit loan	$ 200,000	2023.8.4 - 2029.8.4, non-revolving for six years from the initial drawdown date, principal to be repaid in 8 equal semiannual installments after the grace period of 30 months with quarterly interest payment
Subtotal	200,000	
Less: Current portion	-	
Total	$ 200,000	

Creditor	2023.12.31	Contract Term and Repayment
Export-Import Bank of the Republic of China - credit loan	$ 200,000	2023.8.4 - 2029.8.4, non-revolving for six years from the initial drawdown date, principal to be repaid in 8 equal semiannual installments after the grace period of 30 months with quarterly interest payment
Subtotal	200,000	
Less: Current portion	-	
Total	$ 200,000	

A. The interest rates of loans were 1.8354% and 1.7165% as of December 31, 2024 and 2023, respectively.

B. In July 2020, the Company entered into a syndicated loan agreement with eight financial institutions, including the Bank of Taiwan (bookrunner), for a loan facility of NT$2.5 billion or the equivalent in U.S. dollars. The contract term was five years from the initial drawdown date, i.e., October 2020 to October 2025 and the credit term of the agreement was mid-term loans - current. During the loan term, the Company was required to calculate and maintain the following financial ratios at an agreed level based on the parent company only financial statements audited by CPAs every six months: current ratio, debt ratio, interest coverage ratio and tangible net value. The Company has abided by those terms.

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

(14) Post-employment benefit plans

A. Defined contribution plan

Expenses under the defined contribution plan for the years ended December 31, 2024 and 2023 were NT$30,407 thousand and NT$28,095 thousand, respectively.

B. Defined benefit plan

Expenses under the defined benefit plan were as follows:

	Years Ended December 31	
Financial Statement Account	2024	2023
Operating costs	$ 2,711	$ 3,488
Sales and marketing expenses	408	280
General and administrative expenses	2,430	2,676
Research and development expenses	1,064	1,653
Total	$ 6,613	$ 8,097

C. Accumulated amounts of actuarial gain or loss recognized under other comprehensive income were as follows:

	Years Ended December 31	
	2024	2023
Beginning balance	$ 52,349	$ 80,483
Actuarial gain or loss	(21,643)	(28,134)
Ending balance	$ 30,706	$ 52,349

D. Reconciliation of defined benefit obligation at present value and plan assets at fair value was as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligation	$ 176,733	$ 197,405
Fair value of plan assets	(61,734)	(64,763)
Funded status	114,999	132,642
Net defined benefit liabilities	$ 114,999	$ 132,642

E. Changes in the present value of the defined benefit obligation were as follows:

	Years Ended December 31	
	2024	2023
Beginning balance	$ 197,405	$ 219,323
Current service cost	4,901	5,590
Interest cost	2,547	3,070
Actuarial gain or loss	(17,126)	(28,094)
Benefits paid	(10,994)	(2,484)
Ending balance	$ 176,733	$ 197,405

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

F. Changes in the fair value of the plan assets were as follows:

	Years Ended December 31	
	2024	2023
Beginning balance	$ 64,763	$ 40,176
Return on plan assets	835	563
Contributions from employer	2,613	26,468
Actuarial gain or loss	4,517	40
Benefits paid	(10,994)	(2,484)
Ending balance	$ 61,734	$ 64,763

G. As of December 31, 2024, the Company expected to make contributions of NT$6,172 thousand to the defined benefit plan in the following 12 months.

H. The major categories of plan assets as a percentage of the fair value of total plan assets were as follows:

	Pension Plan (%)	
	December 31, 2024	December 31, 2023
Cash	100%	100%

The Company's actual returns on plan assets were NT$5,532 thousand and NT$602 thousand for the years ended December 31, 2024 and 2023, respectively.

The expected rate of return on plan assets is determined based on historical trend and analysts' expectations on the asset's return in its market over the obligation period. Furthermore, the utilization of the fund by the labor pension fund supervisory committee and the fact that the minimum earnings are guaranteed to be no less than the earnings attainable from local banks' two-year time deposits are also taken into consideration in determining the expected rate of return on plan assets.

I. The principal assumptions used in determining the Company's defined benefit plan were shown below:

	December 31, 2024	December 31, 2023
Discount rate	1.64%	1.29%
Expected rate of return on plan assets	1.64%	1.29%
Expected rate of salary increases	3.50%	4.00%

J. A 0.5% change in the discount rate would result in the following:

	Years Ended December 31			
	2024		2023	
	0.5% Increase	0.5% Decrease	0.5% Increase	0.5% Decrease
Effect on aggregate of current service cost and interest cost	$ 438	$ (538)	$ 406	$ (522)
Effect on present value of defined benefit obligation	(11,217)	12,143	(13,452)	14,623

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

K. Other information on the defined benefit plan was as follows:

	Years Ended December 31	
	2024	2023
Present value of defined benefit obligation, ending balance	$ 176,733	$ 197,405
Fair value of plan assets, ending balance	(61,734)	(64,763)
Surplus/deficit of plan, ending balance	$ 114,999	$ 132,642
Experience adjustments on plan liabilities	$ 3,768	$ (17,238)
Experience adjustments on plan assets	$ (4,517)	$ (40)

(15) Equity

A. Capital

(a) Common stock

As of December 31, 2024 and 2023, the Company's authorized capital was NT$3,000,000 thousand, divided into 300,000 thousand shares (including 15,000 thousand shares with the amount of NT$150,000 thousand reserved for the exercise of employee stock options, preferred stock with warrants and bond with warrants) at a par value of NT$10 each.

As of December 31, 2024 and 2023, the Company's issued capital was NT$2,549,117 thousand and NT$2,091,197 thousand, respectively, divided into 254,912 thousand shares and 209,120 thousand shares at a par value of NT$10 each.

(b) Capital collected in advance

As of December 31, 2024, convertible bond holders converted their bonds into 1,365 thousand shares of the Company's common stock, resulting in an increase in common stock capital of NT$13,653 thousand, which was booked under capital collected in advance. The Board of Directors resolved on February 26, 2025, to set the capital increase record date on March 11, 2025.

B. Capital surplus

	December 31, 2024	December 31, 2023
Additional paid-in capital	$ 1,890,209	$ 541,007
Premium from merger	262,500	262,500
Donated assets	1,970	1,970
Treasury stock transactions	27,280	27,280
Due to recognition of equity component of convertible bonds - stock options	9,026	70,203
Employee stock options	19,121	11,033
Others	112,210	112,204
Total	$ 2,322,316	$ 1,026,197

According to laws and regulations, capital surplus shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute capital surplus related to income derived from issuance of new shares at a premium or income from endowments received by the company as stock dividends up to a certain percentage of paid-in capital. The said capital surplus could also be distributed in the form of cash dividends to shareholders in proportion to the number of shares being held by each of them.

C. Appropriation of profits and dividend policies

Current year's earnings of the Company, if any, shall be distributed in the following order:

(a) Taxes and dues.

(b) Deficit compensation.

(c) 10% of net profit as legal reserves. However, this shall not apply when the accumulated legal reserve has equaled total capital.

(d) Special reserve appropriated or reversed as stipulated by relevant laws and regulations or the competent securities authorities.

(e) For the remaining profits, if any, the Board of Directors shall draft a proposal for the distribution of earnings. Regarding earnings distributed by an issuance of new shares, the proposal shall be approved by the shareholders' meeting, and for earnings distributed in the form of cash, the proposal shall be submitted to the Board of Directors' meeting for resolution.

The Company authorizes the Board of Directors to approve the distribution of dividends and bonuses or the legal reserve and capital surplus stipulated in Paragraph 1, Article 241 of the Company Act, in whole or in part, in the form of cash with the consent of majority of attending directors which represents more than two-third of all directors pursuant to Paragraph 5, Article 240 of the Company Act and report to the shareholders' meeting.

After taking into account the environment and development stage of the Company, the needs of capital in the future, long-term financial planning and shareholders' demand for cash, the Board of Directors shall draw up an earnings distribution proposal based on the distributable earnings and submit it to the shareholders' meeting for approval. At least forty percent of the distributable earnings shall be appropriated as shareholders' dividends. The cash dividend shall not be lower than 10 percent of the total dividends and shall be capped at 100 percent.

The Company complies with Order No. Jin-Guan-Zheng-Fa-1090150022 issued by the FSC on March 31, 2021, which sets out the following provisions: On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserves. Later when the company uses, disposes of, or reclassifies relevant assets, it may reverse to distributable earnings a proportional amount of the special reserves originally set aside.

As of December 31, 2024 and 2023, special reserve set aside for the first-time adoption of IFRS amounted to NT$75,546 thousand.

Information about the appropriation of 2023 and 2022 earnings resolved in the Board of Directors' meetings on February 20, 2024 and February 22, 2023, respectively, was as follows:

	Appropriation of Earnings		Dividend per Share (NT$)	
	2023	2022	2023	2022
Legal reserve	$ 44,548	$ 74,491	-	-
Special reserve	-	74,180	-	-
Reversal of special reserve	(145,484)	-	-	-
Cash dividends	209,120	397,327	$ 1.00	$ 1.90
Stock dividends (Note)	104,560	-	0.50	-

(Note) Resolved at the shareholders' meeting on May 24, 2024.

Distribution of cash from capital surplus of NT$125,472 thousand (i.e., NT$0.6 per share) was approved in the Board of Directors' meeting on February 22, 2023.

Information about the appropriation of 2024 earnings proposed in the Board of Directors' meeting on February 26, 2025 was as follows:

	Appropriation of Earnings	Dividend per Share (NT$)
	2024	2024
Legal reserve	$ 86,323	-
Reversal of special reserve	(89,146)	-
Cash dividends	640,692	$ 2.50

Please refer to Note 6(20) for information on the accrual basis and the amounts recognized for compensation to employees and remuneration to directors.

(16) Share-based payment plan

The Company's employees are entitled to receive share-based payments as part of their compensation. Transactions are accounted for as equity-settled share-based payment transactions where employees provide services as consideration for equity instruments.

A. Employee share-based payment plan of the Company

The Company issued employees stock options of 3,000 units on February 22, 2023. Each unit is entitled to 1,000 common stocks of the Company. Parties eligible to receive the options include employees of the Company and its subsidiaries who met certain conditions. Exercise price of the option is the closing price of the Company's stocks on the grant date. Employees can exercise their options two years after the grant date by the vesting schedule. The Company would issue new shares for settlement when employees exercise their options.

The Black-Scholes-Merton pricing model is used to estimate the fair value of options on the grant date. Parameters and assumptions applied take into account the terms and conditions of the contract.

The options have a duration of five years and cash settlement is not an alternative. The Company has never used cash settlement for options granted under such plans in the past.

Details of the aforementioned share-based payment plan are as follows:

Grant Date	Total Unit (in Thousands)	Exercise Price per Unit (NT$) (Note)
2023.2.22	3,000	42.30

Note: Once options are issued, the exercise price shall be adjusted according to the formula set out in the Rules Governing the Issuance and Exercise of Employee Options if there are changes in the Company's common stocks or if cash dividends on common stocks have a payout ratio exceeding 1.5% of the market price per share.

For share-based payment plan granted in the year ended December 31, 2023, assumptions used in the pricing model for estimating the fair value of options on the grant date were as follows:

	2023.2.22
Dividend yield ratio (%)	0%
Expected volatility (%)	28.80%~29.49%
Risk-free interest rate (%)	1.15%~1.16%
Expected option life (year)	3.5~4.0
Pricing model	Black-Scholes-Merton option pricing model
Weighted average fair value of options granted during the period (NT$)	10.12

Details of the Company's employee stock option plan were as follows:

	Year Ended December 31, 2024			
	No. of Options Outstanding (in thousands)	Weighted Average Exercise Price (NT$)	Range of Exercise Price (NT$)	Weighted Average Remaining Life (Year)
Outstanding at beginning of period	2,880	$ 39.9		
Granted	-	-		
Forfeited	(445)	39.9		
Exercised	-	-		
Expired	-	-		
Outstanding at end of period	2,435	37.6	$ 37.6	3.08
Exercisable at end of period	-	-		

	Year Ended December 31, 2023			
	No. of Options Outstanding (in thousands)	Weighted Average Exercise Price (NT$)	Range of Exercise Price (NT$)	Weighted Average Remaining Life (Year)
Outstanding at beginning of period	-	$ -		
Granted	3,000	42.3		
Forfeited	(120)	39.9		
Exercised	-	-		
Expired	-	-		
Outstanding at end of period	2,880	39.9	$ 39.9	4.08
Exercisable at end of period	-	-		

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

B. Expenses of the share-based payment plan were as follows:

	Years Ended December 31	
	2024	2023
Expenses recognized for the share-based payment transactions (equity-settled share-based payments)	$ 7,729	$ 10,190

C. The Company did not cancel or modify its share-based payment plans for the years ended December 31, 2024 and 2023.

(17) Operating revenue

	Years Ended December 31	
	2024	2023
Revenue from sale of goods	$ 8,215,429	$ 6,837,677

A. Revenue breakdown

	Years Ended December 31	
	2024	2023
Timing of revenue recognition:		
At a point in time	$ 8,215,429	$ 6,837,677

B. Contract balances

Contract liabilities - current	December 31, 2024	December 31, 2023	December 31, 2022
Sale of goods	$ 190	$ 9	$ -

Beginning balance of contract liabilities reclassified to revenue amounted to NT$9 thousand and NT$0 thousand for the years ended December 31, 2024 and 2023, respectively.

(18) Expected credit loss

	Years Ended December 31	
	2024	2023
Operating expenses - expected credit loss		
Accounts receivable	$ 23,257	$ 2,990

Please refer to Note 12 for information concerning credit risk.

For receivables (both notes and accounts receivables (including related parties)), the Company measured the loss allowance at an amount equal to lifetime expected credit losses. The assessment on the loss allowance as of December 31, 2024 and 2023 was as follows:

December 31, 2024

		Past Due			
	Not Past Due (Note)	Within 90 Days	91-180 Days	Over 181 Days	Total
Gross carrying amount	$ 2,707,838	$ 7,317	$ -	$ -	$ 2,715,155
Loss ratio	1.03%	9.14%	0.00%	0.00%	
Lifetime expected credit losses	36,016	669	-	-	36,685
Subtotal	$ 2,671,822	$ 6,648	$ -	$ -	$ 2,678,470

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

December 31, 2023

	Not Past Due (Note)	Past Due: Within 90 Days	Past Due: 91-180 Days	Past Due: Over 181 Days	Total
Gross carrying amount	$ 2,610,191	$ 17,093	$ -	$ -	$ 2,627,284
Loss ratio	0.45%	9.92%	0.00%	0.00%	
Lifetime expected credit losses	11,732	1,696	-	-	13,428
Subtotal	$ 2,598,459	$ 15,397	$ -	$ -	$ 2,613,856

(Note): None of the Company's notes receivables was overdue.

Movements in the loss allowance for receivables in the years ended December 31, 2024 and 2023 were as follows:

	Receivables
Balance as of January 1, 2024	$ 13,428
Appropriated in the current period	23,257
Write off	-
Balance as of December 31, 2024	$ 36,685

	Receivables
Balance as of January 1, 2023	$ 10,438
Appropriated in the current period	2,990
Write off	-
Balance as of December 31, 2023	$ 13,428

(19) Leases

A. The Company being a lessee

The Company leases various assets with lease terms ranging from 2 to 50 years.

The effects of leases on financial status, financial performance and cash flows of the Company were as follows:

(a) Amounts recognized in the balance sheets

i. Right-of-use assets

Carrying amount of right-of-use assets

	December 31, 2024	December 31, 2023
Land	$ 176,240	$ 220,465
Transportation equipment	21,682	18,023
Total	$ 197,922	$ 238,488

The Company's right-of-use assets increased by NT$13,325 thousand and NT$10,964 thousand for the years ended December 31, 2024 and 2023, respectively.

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

ii. Lease liabilities

	December 31, 2024	December 31, 2023
Current	$ 12,021	$ 11,009
Non-current	196,357	236,488
Lease liabilities	$ 208,378	$ 247,497

Please refer to Note 6(21)D Finance costs for details on interest expenses of lease liabilities for the years ended December 31, 2024 and 2023 and Note 12(5) Liquidity risk management for the maturity analysis on lease liabilities as of December 31, 2024 and 2023.

(b) Amounts recognized in the statements of comprehensive income

Depreciation of right-of-use assets

	Years Ended December 31	
	2024	2023
Land	$ 5,408	$ 6,105
Transportation equipment	8,621	6,703
Total	$ 14,029	$ 12,808

(c) Lessee's income and expenses associated with leasing activities

	Years Ended December 31	
	2024	2023
Expense of short-term leases	$ 71,597	$ 73,899
Expense of leases of low value assets (excluding short-term leases of low value assets)	4,231	3,423

(d) Lessee's cash outflows associated with leasing activities

The Company's cash outflows from leases amounted to NT$92,432 thousand and NT$92,823 thousand for the years ended December 31, 2024 and 2023, respectively.

(e) Other information associated with leasing activities

Options to extend or terminate the lease

Some of the Company's property leases contain options to extend or terminate the leases. When determining the lease term, it shall be the non-cancellable period where the lessee has the right to use the underlying asset, together with periods covered by an option to extend the lease where the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease where the Company is reasonably certain not to exercise that option. The use of those options can maximize the flexibility in managing the contracts. The majority of options to extend or terminate the leases can only be exercised by the Company. The Company would reassess the lease periods when a significant event or a significant change in circumstances occurs (that is within the control of the lessee and affects whether the Company is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term) after the commencement date.

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

(20) Summary statement of employee benefits, depreciation and amortization expenses by function:

Function / Nature	Years Ended December 31					
	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	446,692	336,534	783,226	384,143	292,398	676,541
Labor and health insurance	44,547	23,640	68,187	42,157	23,699	65,856
Pension	22,080	14,940	37,020	21,183	15,009	36,192
Remuneration to directors	-	16,784	16,784	-	11,621	11,621
Other employee benefits	58,548	25,010	83,558	46,726	21,419	68,145
Depreciation	271,632	45,518	317,150	253,459	44,376	297,835
Amortization	1,322	18,307	19,629	2,605	18,728	21,333

For the years ended December 31, 2024 and 2023, the Company had 841 and 812 employees, respectively, and 7 directors who were not employees of the Company.

The following information shall be disclosed for entities with stocks traded on the TWSE or the Taipei Exchange:

A. The average employee benefits expense in 2024 equaled NT$1,166 thousand, which was calculated as follows: (Sum of employee benefits expense - Sum of remuneration to directors in 2024)/(Number of employees - Number of directors who are not employees of the Company in 2024). The average employee benefits expense in 2023 equaled NT$1,052 thousand, which was calculated as follows: (Sum of employee benefits expense - Sum of remuneration to directors in 2023)/(Number of employees - Number of directors who are not employees of the Company in 2023).

B. The average employee salaries in 2024 equaled NT$939 thousand, which was calculated as follows: Sum of employee salaries in 2024/(Number of employees - Number of directors who are not employees of the Company in 2024). The average employee salaries in 2023 equaled NT$841 thousand, which was calculated as follows: Sum of employee salaries in 2023/(Number of employees - Number of directors who are not employees of the Company in 2023).

C. The change in average employee salaries equaled 11.56% in 2024, which was calculated as follows: (Average employee salaries in 2024 - average employee salaries in 2023)/Average employee salaries in 2023.

D. The Company has established the Audit Committee to replace supervisors. Thus, remuneration to supervisors was not recognized.

E. Remuneration policy

   (a) Remuneration to directors is determined based on the Articles of Incorporation. The Compensation Committee would evaluate the involvement of directors in the business operation of the Company and their contributions to the Company with reference to the remuneration standard of the industry. The Board of Directors would present the distribution proposal at the shareholders' meeting for shareholders to approve and finalize the amount.

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

(b) Compensation to management and employees is determined based on the salary levels among peers, job scopes and degree of contributions by individuals to the Company's operation target. It also takes into account the Company's overall performance and individual's performance and contribution.

According to the Company's Articles of Incorporation, when the Company makes a profit for the year, the compensation to employees shall not be lower than five percent of the balance and the remuneration to directors shall not be higher than four percent of the balance. However, if the Company has an accumulated deficit, the profit shall cover the deficit before it can be used for compensation to employees and remuneration to directors. The above-mentioned compensation to employees can be made in the form of stock or cash by a resolution adopted by a majority vote at a Board of Directors' meeting attended by at least two-thirds of the total number of directors. A report of such distribution shall be submitted to the shareholders' meeting. Information on the compensation to employees and remuneration to directors resolved or reported at the meetings of Board of Directors and shareholders is available at the Market Observation Post System website.

If the Board of Directors resolved to distribute compensation to employees in the form of stock, the closing price of stocks on the date preceding the resolution shall be the basis in calculating the number of stocks to be distributed. If the amount accrued differed from the amount resolved in the Board of Directors' meeting, the difference would be recognized in the profit or loss of the following year.

Information on 2024 and 2023 compensation to employees and remuneration to directors resolved in the Board of Directors' meetings on February 26, 2025 and February 20, 2024, respectively, was as follows:

	Years Ended December 31	
	2024	2023
Compensation to employees	$ 60,132	$ 41,163
Remuneration to directors	16,442	11,256

The difference between 2024 compensation to employees and remuneration to directors resolved in the Board of Directors' meeting in 2025 and the amount accrued was recognized in the profit or loss of the following year.

The 2023 compensation to employees and remuneration to directors reported in the shareholders' meeting were not significantly different from the amounts resolved in the Board of Directors' meeting on February 20, 2024 and the amounts recognized as expenses in the financial statements.

(21) Non-operating income and expenses

A. Interest income

	Years Ended December 31	
	2024	2023
Interest income	$ 26,224	$ 17,384

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

B. Other income

	Years Ended December 31	
	2024	2023
Other income	$ 37,965	$ 42,797

C. Other gains and losses

	Years Ended December 31	
	2024	2023
Gain on disposal of property, plant and equipment	$ 675	$ -
Foreign exchange gain (loss), net	127,400	(43,149)
(Loss) gain on financial assets (liabilities) at fair value through profit or loss, net	(30,991)	5,200
Gain on disposal of investments accounted for using the equity method	3,914	807
Other losses	(3,137)	(860)
Total	$ 97,861	$ (38,002)

D. Finance costs

	Years Ended December 31	
	2024	2023
Interest on bank loans	$ (3,458)	$ (2,531)
Interest on lease liabilities	(4,044)	(4,394)
Interest on bonds payable	(10,743)	(18,101)
Total	$ (18,245)	$ (25,026)

E. Components of other comprehensive income

For the year ended December 31, 2024

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income	Income tax benefit (expense)	Other comprehensive income, net of tax
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plan	$ 21,643	$ -	$ 21,643	$ (4,329)	$ 17,314
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	465,128	-	465,128	-	465,128
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations	159,354	-	159,354	(31,858)	127,496
Total	$ 646,125	$ -	$ 646,125	$ (36,187)	$ 609,938

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

For the year ended December 31, 2023

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income	Income tax benefit (expense)	Other comprehensive income, net of tax
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plan	$ 28,134	$ -	$ 28,134	$ (5,626)	$ 22,508
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	170,972	-	170,972	-	170,972
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations	(31,859)	-	(31,859)	6,371	(25,488)
Total	$ 167,247	$ -	$ 167,247	$ 745	$ 167,992

(22) Income tax

A. The major components of income tax expense were as follows:

Income tax recognized in profit or loss

	Years Ended December 31 2024	2023
Current income tax expense (benefit):		
Current income tax payable	$ 149,301	$ 102,385
Income tax adjustments on prior years	-	(28,647)
Tax refund for funds repatriation program	(5,706)	-
Deferred income tax (benefit) expense:		
Deferred income tax (benefit) expense relating to origination and reversal of temporary differences	(7,971)	1,920
Income tax expense	$ 135,624	$ 75,658

Income tax recognized in other comprehensive income

	Years Ended December 31 2024	2023
Deferred income tax expense (benefit):		
Remeasurement of defined benefit plan	$ 4,329	$ 5,626
Exchange differences arising on translation of foreign operations	31,858	(6,371)
Income tax relating to components of other comprehensive income	$ 36,187	$ (745)

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

B. The reconciliation of income tax expense and income tax based on pre-tax net income at the statutory tax rate was as follows:

	Years Ended December 31	
	2024	2023
Income before income tax from continuing operations	$ 728,400	$ 498,632
Income tax expense at the statutory rate of the Company	$ 145,680	$ 99,726
Tax effects of tax-exempt income	(1,948)	(2,876)
Tax effects of non-deductible expenses for taxable income	2,858	2,991
Tax effects of deferred income tax assets/liabilities	(7,971)	1,920
Income tax adjustments on prior years	-	(28,647)
Tax effects of other tax adjustments	(2,995)	2,544
Income tax expense recognized in profit or loss	$ 135,624	$ 75,658

C. Balance of deferred income tax assets (liabilities):

	Year Ended December 31, 2024				
	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Recognized in Equity	Ending Balance
Temporary differences					
Exchange gain or loss	$ 3,958	$ (21,763)	$ -	$ -	$ (17,805)
Allowance for inventory valuation and obsolescence loss	35,493	4,400	-	-	39,893
Gain (loss) on investments accounted for using the equity method	(69,641)	16,892	(31,858)	-	(84,607)
Unrealized intra-group profits and losses	3,613	944	-	-	4,557
Impairment of assets	1,320	-	-	-	1,320
Loss allowance	-	1,907	-	-	1,907
Net defined benefit liabilities	26,529	800	(4,329)	-	23,000
Others	(2,069)	4,791	-	-	2,722
Deferred income tax benefit (expense)		$ 7,971	$ (36,187)	$ -	
Net deferred income tax assets (liabilities)	$ (797)				$ (29,013)
Reflected in balance sheet as follows:					
Deferred income tax assets	$ 116,986				$ 118,250
Deferred income tax liabilities	$ (117,783)				$ (147,263)

	Year Ended December 31, 2023				
	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Recognized in Equity	Ending Balance
Temporary differences					
Exchange gain or loss	$ (4,952)	$ 8,910	$ -	$ -	$ 3,958
Allowance for inventory valuation and obsolescence loss	33,344	2,149	-	-	35,493
Gain (loss) on investments accounted for using the equity method	(81,071)	5,059	6,371	-	(69,641)

(Continued)

	Year Ended December 31, 2023				
	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Recognized in Equity	Ending Balance
Unrealized intra-group profits and losses	$ 4,460	$ (847)	$ -	$ -	$ 3,613
Impairment of assets	1,320	-	-	-	1,320
Net defined benefit liabilities	35,829	(3,674)	(5,626)	-	26,529
Others	11,519	(13,588)	-	-	(2,069)
Deferred income tax benefit (expense)		$ (1,991)	$ 745	$ -	
Net deferred income tax assets (liabilities)	$ 449				$ (797)
Reflected in balance sheet as follows:					
Deferred income tax assets	$ 108,464				$ 116,986
Deferred income tax liabilities	$ (108,015)				$ (117,783)

(Concluded)

D. Unrecognized deferred income tax assets:

As of December 31, 2024 and 2023, the Company did not have deferred income tax assets that had not been recognized.

E. The assessment of income tax returns:

As of December 31, 2024, the Company's income tax return was assessed and approved up to 2021.

(23) Earnings per share (EPS)

	Year Ended December 31, 2024		
	Amount after-tax	Weighted average number of outstanding shares (in thousands)	EPS (NT$)
Basic EPS			
Net income attributable to common shareholders of the Company	$ 592,776	234,718	$ 2.53
Diluted EPS			
Effect of dilutive potential common stocks			
Interest on convertible bonds	8,594	21,568	
Employee compensation - stock	-	1,341	
Employee stock options	-	1,556	
Net income attributable to common shareholders of the Company and effect of potential common stocks	$ 601,370	259,183	$ 2.32

	Year Ended December 31, 2023		
	Amount after-tax	Weighted average number of outstanding shares (in thousands)	EPS (NT$)
Basic EPS			
Net income attributable to common shareholders of the Company	$ 422,974	218,736	$ 1.93

(Continued)

	Year Ended December 31, 2023		
	Amount after-tax	Weighted average number of outstanding shares (in thousands)	EPS (NT$)
Diluted EPS			
Effect of dilutive potential common stocks			
Interest on convertible bonds	$ 14,481	40,859	
Employee compensation - stock	-	839	
Employee stock options	-	2,510	
Net income attributable to common shareholders of the Company and effect of potential common stocks	$ 437,455	262,944	$ 1.66

(Concluded)

7. Related Party Transactions

(1) Names and relationships

Name	Relationship
Taistar Co., Ltd.	100% owned subsidiary
TSC International Ltd. (TSC)	100% owned second-tier subsidiary
Kunshan Taiflex Electronic Co., Ltd.	100% owned third-tier subsidiary
TFS Co., Ltd.	100% owned subsidiary
Richstar Co., Ltd.	100% owned second-tier subsidiary
Shenzhen Taiflex Electronic Co., Ltd.	100% owned third-tier subsidiary
Koatech Technology Corporation	52.97% owned subsidiary
Taiflex Scientific Japan Co., Ltd.	100% owned subsidiary
Taiflex USA Corporation	100% owned subsidiary
Rudong Fuzhan Scientific Co., Ltd.	100% owned third-tier subsidiary
Taichem Materials Co., Ltd.	100% owned subsidiary
Taiflex Green Power Co., Ltd.	100% owned subsidiary
Taiflex Scientific (Thailand) Co., Ltd.	100% owned subsidiary
Innatech Co., Ltd. (Innatech)	A substantive related party
SINYA Digital Co., Ltd. (SINYA Digital)	A substantive related party

(2) Significant transactions with related parties

A. Sales

	Years Ended December 31	
	2024	2023
Subsidiaries		
Shenzhen Taiflex Electronic Co., Ltd.	$ 690,175	$ 832,900
Kunshan Taiflex Electronic Co., Ltd.	470,475	362,151
Rudong Fuzhan Scientific Co., Ltd.	109,411	80,714
Others	325	25,858
Total	$ 1,270,386	$ 1,301,623

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

The sales prices of related party transactions were determined through negotiation based on market prices. The outstanding balances as of December 31, 2024 and 2023 were unsecured and non-interest bearing and must be settled in cash. The receivables from the related parties were not guaranteed.

B. Purchases

	Years Ended December 31	
	2024	2023
Subsidiaries		
Taichem Materials Co., Ltd.	$ 339,529	$ 312,721
Rudong Fuzhan Scientific Co., Ltd.	12,427	15,682
Kunshan Taiflex Electronic Co., Ltd.	8,306	17,583
Shenzhen Taiflex Electronic Co., Ltd.	3,745	3,694
Taiflex Scientific (Thailand) Co., Ltd.	781	-
Total	$ 364,788	$ 349,680

The purchase prices of related party transactions were determined through negotiation based on market prices. The payment terms of related party transactions were comparable with ones of non-related party transactions.

C. Property transactions

Acquisition of property, plant and equipment

	Years Ended December 31	
	2024	2023
Innatech	$ 766	$ 2,300
SINYA Digital	295	-
Total	$ 1,061	$ 2,300

Acquisition of intangible assets

	Years Ended December 31	
	2024	2023
Innatech	$ -	$ 1,627

Proceeds from sale of property, plant and equipment

	Years Ended December 31	
	2024	2023
Taiflex Scientific (Thailand) Co., Ltd.	$ -	$ 169,354

Gain on sale of property, plant and equipment

	Years Ended December 31	
	2024	2023
Taiflex Scientific (Thailand) Co., Ltd.	$ -	$ -

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

D. Accounts receivable - related parties

	December 31, 2024	December 31, 2023
Subsidiaries		
Shenzhen Taiflex Electronic Co., Ltd.	$ 443,153	$ 449,522
Kunshan Taiflex Electronic Co., Ltd.	197,992	136,002
Rudong Fuzhan Scientific Co., Ltd.	70,791	43,848
Others	213	16,072
Total	$ 712,149	$ 645,444

E. Other receivables - related parties

Non-financing

	December 31, 2024	December 31, 2023
Subsidiaries		
Taiflex Scientific (Thailand) Co., Ltd.	$ 23,823	$ 162,783
Taichem Materials Co., Ltd.	16,523	69,905
Rudong Fuzhan Scientific Co., Ltd.	15,659	37,629
Others	50	34
Total	$ 56,055	$ 270,351

F. Prepayments

	December 31, 2024	December 31, 2023
Innatech	$ 420	$ 468
SINYA Digital	83	284
Total	$ 503	$ 752

G. Accounts payable - related parties

	December 31, 2024	December 31, 2023
Subsidiaries		
Rudong Fuzhan Scientific Co., Ltd.	$ 7,982	$ 12,664
Taichem Materials Co., Ltd.	5,477	13,804
Shenzhen Taiflex Electronic Co., Ltd.	2,690	-
Kunshan Taiflex Electronic Co., Ltd.	847	6,999
Taiflex Scientific (Thailand) Co., Ltd.	800	-
Total	$ 17,796	$ 33,467

H. Other payables - related parties

	December 31, 2024	December 31, 2023
Substantive related parties		
SINYA Digital	$ 4,299	$ 1,366
Innatech	2,544	431

(Continued)

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

	December 31, 2024	December 31, 2023
Subsidiaries		
Taiflex USA Corporation	$ 10,989	$ 9,715
Taiflex Scientific Japan Co., Ltd.	7,513	5,273
Koatech Technology Corporation	3,722	3,564
Rudong Fuzhan Scientific Co., Ltd.	994	-
Total	$ 30,061	$ 20,349

(Concluded)

I. Others

Rental income

	Years Ended December 31	
	2024	2023
Taichem Materials Co., Ltd.	$ 1,200	$ 1,200
Taiflex Green Power Co., Ltd.	393	363
Total	$ 1,593	$ 1,563

Rents were determined through negotiation based on market prices. The collection terms of rents from related parties were comparable with ones from non-related parties. Rents were collected on a monthly basis.

Operating expenses

	Years Ended December 31	
	2024	2023
Innatech	$ 3,221	$ 3,257
SINYA Digital	8,116	1,023
Total	$ 11,337	$ 4,280

J. Compensation to key management of the Company

	Years Ended December 31	
	2024	2023
Short-term employee benefits	$ 86,116	$ 89,653
Post-employment benefits	1,806	1,582
Total	$ 87,922	$ 91,235

8. Pledged Assets

The following table listed assets of the Company pledged as collateral:

	Carrying Amount		
	December 31, 2024	December 31, 2023	Purpose of Pledge
Time deposits (Note)	$ 20,280	$ 20,153	Customs guarantee

(Note): These were recognized as other current assets.

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

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

Details of the Company's unused letters of credit as of December 31, 2024 were as follows:

	L / C Balance
USD	US$ 12,526 thousand

10. Significant Disaster Loss

None.

11. Significant Subsequent Events

None.

12. Others

(1) Categories of financial instruments

Financial assets

	December 31, 2024	December 31, 2023
Financial assets at fair value through profit or loss	$ 32,385	$ 32,621
Financial assets at fair value through other comprehensive income	436,144	426,661
Financial assets at amortized cost:		
Cash and cash equivalents (excluding cash on hand)	1,924,453	877,214
Financial assets at amortized cost	200,000	-
Receivables	2,771,314	2,909,971
Other financial assets - current	20,280	20,153

Financial liabilities

	December 31, 2024	December 31, 2023
Financial liabilities at fair value through profit or loss	$ 2,254	$ 1,556
Financial liabilities at amortized cost:		
Payables	1,723,590	1,499,865
Bonds payable (including current portion)	245,543	1,891,501
Long-term loans (including current portion)	200,000	200,000
Lease liabilities (current and non-current)	208,378	247,497

(2) Objectives and policies of financial risk management

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Company identifies, measures, and manages the aforementioned risks based on its policy and risk preferences.

The Company has established appropriate policies, procedures and internal controls for the aforementioned financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and the Audit Committee must be carried out based on related protocols and internal control procedures. The Company shall comply with its financial risk management rules at all times.

(3) Market risk

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of the changes in market prices. Market risk comprises foreign currency risk, interest rate risk and other price risks.

In practice, it is rarely the case that a single risk variable will change independently from other risk variables. There are usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

A. Foreign currency risk

The Company's exposure to foreign currency risk relates primarily to its operating activities (when revenue or expense are denominated in a different currency from the Company's functional currency) and net investments in foreign operations.

The Company has certain receivables denominated in the same foreign currency as certain payables; therefore, natural hedge is achieved. The Company also uses forward foreign exchange contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as the said nature hedge and forward foreign exchange contracts do not qualify for hedge accounting criteria. Furthermore, as net investments in foreign operations are for strategic purposes, they are not hedged by the Company.

The foreign currency sensitivity analysis focusing on the impact of foreign exchange rate fluctuations on the Company's profit or loss and equity is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates of U.S. dollars and Chinese Yuan.

B. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk relates primarily to its variable interest rates for loans.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans.

C. Equity price risk

Equity securities of listed domestic companies held by the Company are susceptible to price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on equity portfolio are submitted to the Company's senior management on a regular basis. The Board of Directors shall review all equity investment decisions and approve where appropriate.

A 5% increase/decrease in the prices of listed companies' stocks classified as mandatorily at fair value through profit or loss could cause the profit or loss for the years ended December 31, 2024 and 2023 to increase/decrease by NT$1,528 thousand and NT$1,388 thousand, respectively.

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

A 5% increase/decrease in the prices of listed companies' stocks classified as at fair value through other comprehensive income could cause the comprehensive income for the years ended December 31, 2024 and 2023 to increase/decrease by NT$21,807 thousand and NT$21,333 thousand, respectively.

D. Pre-tax sensitivity analysis was as follows:

For the year ended December 31, 2024

Key Risk	Variation	Sensitivity of Profit or Loss
Foreign currency risk	NTD/USD appreciate/depreciate by 1%	-/+ NT$17,085 thousand
	NTD/RMB appreciate/depreciate by 1%	-/+ NT$ 8,073 thousand
Interest rate risk	Market interest rate increase/decrease by 10 basis points	+/- NT$ 1,945 thousand

For the year ended December 31, 2023

Key Risk	Variation	Sensitivity of Profit or Loss
Foreign currency risk	NTD/USD appreciate/depreciate by 1%	-/+ NT$17,685 thousand
	NTD/RMB appreciate/depreciate by 1%	-/+ NT$ 7,690 thousand
Interest rate risk	Market interest rate increase/decrease by 10 basis points	+/- NT$ 697 thousand

(4) Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a contract and result in a financial loss. The Company is exposed to credit risk from operating activities (primarily accounts and notes receivable) and financing activities (primarily bank deposits and various financial instruments).

Credit risk is managed by each business unit subject to the Company's credit risk policies, procedures and controls. Credit risk of all counterparties is assessed by considering their financial position and ratings from credit rating agencies, past experience, current economic environment, the Company's internal rating criteria, etc. The Company also uses some credit enhancement tools, such as prepayments or insurances, to reduce the credit risk of certain counterparties.

Credit risk from balances with banks and other financial instruments is managed by the Company in accordance with the Company's policies. The counterparties that the Company transacts with are reputable financial institutions both at home and abroad; thus, no significant credit risk is expected.

(5) Liquidity risk management

The Company maintains its financial flexibility through the use of cash and cash equivalents, highly-liquid marketable securities, bank loans, convertible bonds and leases. The table below summarized the maturity profile of the Company's financial liability contracts based on the earliest repayment dates and contractual undiscounted cash flows. The amount also included the contractual interest. The undiscounted interest payment relating to borrowings with variable interest rates was extrapolated based on the yield curve as of the end of the reporting period.

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

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
December 31, 2024					
Borrowings	$ 3,671	$ 105,220	$ 101,553	$ -	$ 210,444
Payables	1,723,591	-	-	-	1,723,591
Convertible bonds	-	250,110	-	-	250,110
Lease liabilities	15,653	24,627	17,481	219,943	277,704
December 31, 2023					
Borrowings	$ 3,442	$ 56,303	$ 103,168	$ 50,296	$ 213,209
Payables	1,499,865	-	-	-	1,499,865
Convertible bonds	1,945,300	-	-	-	1,945,300
Lease liabilities	15,327	26,223	20,328	270,937	332,815

Derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
December 31, 2024					
Inflows	$ 499,448	$ -	$ -	$ -	$ 499,448
Outflows	501,771	-	-	-	501,771
Net	$ (2,323)	$ -	$ -	$ -	$ (2,323)
December 31, 2023					
Inflows	$ 423,679	$ -	$ -	$ -	$ 423,679
Outflows	420,747	-	-	-	420,747
Net	$ 2,932	$ -	$ -	$ -	$ 2,932

The derivative financial liabilities in the table above were expressed using undiscounted net cash flows.

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2024:

	Long-term Loans	Lease Liabilities	Bonds Payable	Total Liabilities from Financing Activities
As of January 1, 2024	$ 200,000	$ 247,497	$ 1,891,501	$ 2,338,998
Cash flows	-	(16,603)	-	(16,603)
Non-cash movements	-	(22,516)	(1,645,958)	(1,668,474)
As of December 31, 2024	$ 200,000	$ 208,378	$ 245,543	$ 653,921

Reconciliation of liabilities for the year ended December 31, 2023:

	Short-term Loans	Long-term Loans	Lease Liabilities	Bonds Payable	Total Liabilities from Financing Activities
As of January 1, 2023	$ 190,000	$ 202,000	$ 248,536	$ 1,873,400	$ 2,513,936
Cash flows	(190,000)	(2,000)	(15,501)	-	(207,501)
Non-cash movements	-	-	14,462	18,101	32,563
As of December 31, 2023	$ -	$ 200,000	$ 247,497	$ 1,891,501	$ 2,338,998

(7) Fair values of financial instruments

A. The valuation techniques and assumptions applied in determining the fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions are used by the Company in measuring or disclosing the fair values of financial assets and liabilities:

(a) The carrying amount of cash and cash equivalents, receivables, short-term loans, payables and other current liabilities approximates their fair value due to short maturity terms.

(b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on quoted market prices (e.g., listed equity securities).

(c) For bank loans and bonds payable with no quoted market price, the fair value is determined by the quoted price of the counterparty or valuation techniques. The latter is based on the discounted cash flow analysis with assumptions of interest rates and discount rates primarily founded on relevant information of similar instruments.

(d) In terms of derivative financial instruments with no quoted market price, the fair value of non-option derivatives is determined by the quoted price of the counterparty or the discounted cash flow analysis using the applicable yield curve for the contract duration. As for option derivatives, the quoted price of the counterparty or the appropriate option pricing models (e.g., the Black-Sholes model or the binomial tree valuation model of convertible bonds) are adopted to calculate the fair value.

B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Company's financial assets and liabilities measure at amortized cost approximates their fair value.

C. Information on the fair value hierarchy of financial instruments

Please refer to Note 12(9) for details.

(8) Derivative instruments

As of December 31, 2024 and 2023, the Company's derivative instruments that were not eligible for hedge accounting and were outstanding were listed as follows:

A. Forward foreign exchange contracts that were not eligible for hedge accounting and were outstanding as of the balance sheet dates were listed as follows:

Currency	Contract Period	Contract Amount (in thousands)
December 31, 2024		
Sell RMB/Buy NTD	2024.08~2025.06	RMB 90,000/NT$ 403,023
Sell USD/Buy NTD	2024.10~2025.01	US$ 3,000/NT$ 96,425
December 31, 2023		
Sell RMB/Buy NTD	2023.09~2024.05	RMB 90,000/NT$ 392,334
Sell USD/Buy NTD	2023.11~2024.01	US$ 1,000/NT$ 31,345

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

For transactions involving forward foreign exchange contracts, the main purpose is to hedge the foreign currency risk of net assets or liabilities denominated in foreign currencies. As there will be corresponding cash inflows or outflows upon expiration and the Company has sufficient operation funds, no significant cash flow risk is expected.

Embedded derivative instruments

Embedded derivative instruments identified from convertible bonds were separated from the host contract and measured at fair value through profit or loss. Please refer to Note 6(12) for details on relevant contracts.

(9) Fair value hierarchy

A. Definition of fair value hierarchy

For assets and liabilities measured or disclosed in fair values, they are categorized in the level of the lowest level input that is significant to the entire measurement. Inputs of each level are as follows:

Level 1 inputs are quoted (unadjusted) prices in active markets for identical assets or liabilities at the measurement date

Level 2 inputs are inputs other than quoted market prices included within level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 inputs are unobservable inputs for the asset or liability

For assets and liabilities measured on a recurring basis, their categories shall be reevaluated at the end of each reporting period to determine if there is any transfer between different levels of fair value hierarchy.

B. Hierarchy of fair value measurement

The Company does not have assets that are measured at fair value on a non-recurring basis. The fair value hierarchy of assets and liabilities measured on a recurring basis was disclosed as follows:

	Level 1	Level 2	Level 3	Total
December 31, 2024				
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Forward foreign exchange contracts	$ -	$ 1,705	$ -	$ 1,705
Stocks	30,555	-	-	30,555
Embedded derivative instruments	-	-	125	125
Financial assets at fair value through other comprehensive income	436,144	-	-	436,144
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contracts	-	2,254	-	2,254

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

	Level 1	Level 2	Level 3	Total
December 31, 2023				
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Forward foreign exchange contracts	$ -	$ 4,867	$ -	$ 4,867
Stocks	27,754	-	-	27,754
Financial assets at fair value through other comprehensive income	426,661	-	-	426,661
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Embedded derivative instruments	-	-	1,556	1,556

C. Transfers between Level 1 and Level 2 fair value hierarchy

For the years ended December 31, 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value hierarchy.

D. Movements in Level 3 fair value hierarchy for items measured on a recurring basis

Reconciliation of Level 3 fair value hierarchy for assets and liabilities measured on a recurring basis was as follows:

	Assets	Liabilities
	At Fair Value through Profit or Loss	At Fair Value through Profit or Loss
	Derivatives	Derivatives
January 1, 2024	$ -	$ (1,556)
Total income (loss) recognized for the period		
Recognized in profit or loss (under "other gains and losses")	1,593	1,751
Reclassification	195	(195)
Derecognized during the period	(1,663)	-
December 31, 2024	$ 125	$ -
January 1, 2023	$ -	$ (16,730)
Total income (loss) recognized for the period		
Recognized in profit or loss (under "other gains and losses")	-	15,174
December 31, 2023	$ -	$ (1,556)

E. Significant unobservable inputs for Level 3 fair value measurement

Significant unobservable inputs for recurring Level 3 fair value measurements of assets were as follows:

	Valuation Technique	Significant Unobservable Input	Quantitative Information	Relationship between Inputs and Fair Value	Sensitivity of Inputs to Fair Value
December 31, 2024					
Financial liabilities:					
At fair value through profit or loss					
Embedded derivative instruments	Binomial tree valuation model of convertible bonds	Volatility	35.77%	The higher the volatility, the higher the fair value estimates	A 5% increase/decrease in volatility could cause the profit or loss of the Company to increase by NT$125 thousand/ decrease by NT$75 thousand

	Valuation Technique	Significant Unobservable Input	Quantitative Information	Relationship between Inputs and Fair Value	Sensitivity of Inputs to Fair Value
December 31, 2023					
Financial liabilities:					
At fair value through profit or loss					
Embedded derivative instruments	Binomial tree valuation model of convertible bonds	Volatility	15.76%	The higher the volatility, the higher the fair value estimates	A 5% increase/decrease in volatility could cause the profit or loss of the Company to increase/ decrease by NT$195 thousand

F. Valuation process for Level 3 fair value measurement

The valuation process for Level 3 fair value measurement involves having the finance department carries out independent fair value verification for financial instruments. Data from independent sources are used to deliver outcomes that reflect the market and are representative of the executable prices. Data sources are examined for independence, reliability and consistency with other resources while inputs and information for the valuation model are remeasured or reassessed periodically along with any other necessary fair value adjustments to ensure the measurements are reasonable.

(10) Significant financial assets and liabilities denominated in foreign currencies

Information on significant financial assets and liabilities denominated in foreign currencies was listed below:

	December 31, 2024			December 31, 2023		
	Foreign Currencies (in thousands)	Exchange Rate	NTD	Foreign Currencies (in thousands)	Exchange Rate	NTD
Financial assets						
Monetary items						
USD	$ 78,480	32.806	$ 2,574,615	$ 81,618	30.750	$ 2,509,758
RMB	183,276	4.4817	821,388	182,380	4.3333	790,306
JPY	78,843	0.2099	16,549	77,584	0.2175	16,874

	December 31, 2024			December 31, 2023		
	Foreign Currencies (in thousands)	Exchange Rate	NTD	Foreign Currencies (in thousands)	Exchange Rate	NTD
Financial liabilities						
Monetary items						
USD	$ 26,407	32.806	$ 866,308	$ 24,106	30.750	$ 741,253
RMB	3,081	4.4817	13,808	4,791	4.3333	20,760
JPY	151,971	0.2099	31,899	127,276	0.2175	27,683

The data above was disclosed based on the carrying amounts of foreign currencies (already translated to the functional currency).

As the Company transact in various currencies, the exchange gain (loss) of monetary financial assets and liabilities cannot be disclosed by currencies of significant influence. For the years ended December 31, 2024 and 2023, the Company's foreign exchange gain (loss) amounted to NT$127,400 thousand and NT$(43,149) thousand, respectively.

(11) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder return. The Company manages and adjusts its capital structure in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payments to shareholders, return capital to shareholders or issue new shares.

13. Additional Disclosures

(1) Information on significant transactions and investees

A. Financing provided to others: Please refer to Table 1.

B. Endorsement/guarantee provided to others: Please refer to Table 2.

C. Marketable securities held as of December 31, 2024 (excluding investments in subsidiaries, associates and joint ventures): Please refer to Table 3.

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

E. Acquisition of individual real estate with amount of at least NT$300 million or 20 percent of the paid-in capital: None.

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

G. Related party transactions with purchase or sales amount of at least NT$100 million or 20 percent of the paid-in capital: Please refer to Table 5.

H. Receivables from related parties of at least NT$100 million or 20 percent of the paid-in capital: Please refer to Table 6.

I. Investees over which the Company exercises significant influence or control directly or indirectly (excluding investees in mainland China): Please refer to Table 7.

J. Derivative financial instrument transactions: Please refer to Note 12.

K. Others: intercompany relationships and significant intercompany transactions: Please refer to Table 9.

(2) Information on investments in mainland China: Please refer to Table 8.

(3) Information on major shareholders: Please refer to Table 10.

TABLE 1: FINANCING PROVIDED TO OTHERS

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Financing Company	Borrower	Financial Statement Account (Note 2)	Whether A Related Party	Maximum Balance for the Period (Note 3)	Ending Balance (Note 11)	Amount Actually Drawn (Note 12)	Interest Rate Range	Nature of Financing (Note 4)	Transaction Amount (Note 5)	Reason for Short-term Financing (Note 6)	Loss Allowance	Collateral		Financing Limit for Individual Borrower	Limit on Total Financing Amount	Note
													Item	Value			
0	Taiflex Scientific Co., Ltd.	Rudong Fuzhan Scientific Co., Ltd.	Other receivables - related parties	Y	$ 262,624	$ -	$ -	1.70%~4.00%	2	-	Operating capital	-	-	-	$ 2,128,806	$ 4,257,611	(Note 7)
1	Kunshan Taiflex Electronic Co., Ltd.	Shenzhen Taiflex Electronic Co., Ltd.	Other receivables - related parties	Y	90,826	89,634	-	2.00%~4.00%	2	-	Operating capital	-	-	-	799,054	799,054	(Note 9)
1	Kunshan Taiflex Electronic Co., Ltd.	Rudong Fuzhan Scientific Co., Ltd.	Other receivables - related parties	Y	635,782	627,438	582,621	2.00%~4.00%	2	-	Operating capital	-	-	-	799,054	799,054	(Note 9)
2	Koatech Technology Corporation	Kunshan Koatech Technology Corporation	Other receivables - related parties	Y	91,445	67,423	55,928	0.00%~4.00%	2	-	Operating capital	-	-	-	18,284	18,284	(Note 10)

Note 1: Companies are coded as follows:
(1) Taiflex Scientific Co., Ltd. is coded “0.”
(2) The investees are coded from “1” in the order presented in the table above.

Note 2: Receivables from affiliates and related parties, shareholder transactions, prepayments, temporary payments, etc. are required to be disclosed in this field if they are financing provided to others.

Note 3: The maximum balance of financing provided to others for the year ended December 31, 2024.

Note 4: Nature of Financing is coded as follows:
(1) Business transaction is coded “1.”
(2) Short-term financing is coded “2.”

Note 5: If the nature of financing is business transaction, the transaction amount shall be disclosed. The transaction amount refers to the business transaction amount of the most recent year between the financing company and the borrower.

Note 6: With respect to short-term financing, the reasons of financing and the purpose of use by the borrower shall be specified, such as loan repayment, equipment acquisition or operating capital.

Note 7: The Company’s “Procedures for Lending Funds to Other Parties” stipulates that the amount of financing provided shall not exceed 40% of the Company’s net worth in the most recent financial statements. The amount of financing provided to a single entity shall not exceed 20% of the Company’s net worth in the most recent financial statements.

Note 8: Total amount of financing to firms or companies having business relationship with the Company shall not exceed 20% of the Company’s net worth. The financing amount to an individual party is limited to the transaction amount between both parties. The transaction amount means the purchase or sales amount between the parties, whichever is higher, and shall not exceed 10% of the Company’s net worth. However, the lending amount to a single entity whose voting rights are 100% held, either directly or indirectly, by the Company shall not exceed 20% of the Company’s net worth.

Note 9: For financing between offshore companies that the Company holds, either directly and indirectly, 100% of the voting rights, both the financing provided to a single entity and the total financing shall not exceed 100% of the financing company’s net worth in the most recent financial statements.

Note 10: For financing to offshore companies that the financing company holds, either directly and indirectly, 100% of the voting rights, both the financing provided to a single entity and the total financing shall not exceed 40% of the financing company’s net worth in the most recent financial statements audited or reviewed by CPAs. Due to a decrease in net worth, Koatech Technology Corporation’s loan balance and the actual amount drawn have exceeded the permitted limits. Taiflex had requested Koatech Technology Corporation to develop an improvement plan pursuant to Article 16 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies. The subsidiary shall present the improvement plan to each supervisor and complete the necessary improvements according to the plan’s timeline.

Note 11: If public companies, pursuant to Paragraph 1, Article 14 of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, resolve each individual lending at the board meetings, the amounts resolved before drawdown shall be the publicly-announced balance to disclose the risk they assume; provided however, if any repayment is made subsequently, the outstanding balance after such repayment shall be disclosed to reflect the risk adjusted. If public companies, pursuant to Paragraph 2, Article 14 of the same Regulations, authorize the chairperson by board resolution, within a certain monetary limit and a period not to exceed one year, to give loans in instalments or to make a revolving credit line available, the amount resolved shall be the publicly-announced balance. Although repayments may be made subsequently, as drawdowns are likely to happen again, the amount of financing resolved by the board shall be recorded as the publicly-announced balance.

Note 12: This is the ending balance after evaluation.

TABLE 2: ENDORSEMENT/GUARANTEE PROVIDED TO OTHERS (In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to A Single Entity	Maximum Balance for the Period (Note 4)	Ending Balance (Note 5)	Amount Actually Drawn (Note 6)	Amount of Endorsement /Guarantee Secured by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Worth per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowed	Endorsement Provided by Parent Company to Subsidiaries (Note 7)	Endorsement Provided by Subsidiaries to Parent Company (Note 7)	Endorsement Provided to Subsidiaries in China (Note 7)	Note
		Name	Relationship (Note 2)											
0	Taiflex Scientific Co., Ltd.	Rudong Fuzhan Scientific Co., Ltd.	2	$ 5,322,014	$ 541,324	$ 393,672	$ 2,342	$ -	3.70%		Y	N	Y	
0	Taiflex Scientific Co., Ltd.	Taiflex Scientific (Thailand) Co., Ltd.	2	5,322,014	656,560	656,120	99,073	-	6.16%	$ 5,322,014	Y	N	N	(Note 3)
0	Taiflex Scientific Co., Ltd.	Taiflex Green Power Co., Ltd.	2	5,322,014	230,000	-	-	-	0.00%		Y	N	N	
1	Koatech Technology Corporation	Kunshan Koatech Technology Corporation	2	9,142	31,789	31,372	31,372	-	68.63%	22,854	N	N	Y	(Note 8)

Note 1: Companies are coded as follows:
(1) Taiflex Scientific Co., Ltd. is coded "0."
(2) The investees are coded from "1" in the order presented in the table above.

Note 2: The relationships between endorsement/guarantee providers and guaranteed parties are categorized into the following seven types. Please specify the type.
(1) A company that has business relationships with Taiflex.
(2) A company in which Taiflex directly or indirectly holds over 50% of the voting rights.
(3) A company that directly or indirectly holds over 50% of Taiflex's voting rights.
(4) Endorsements/guarantees between companies in which Taiflex directly or indirectly holds over 90% of the voting rights.
(5) Mutual endorsements/guarantees between companies in the same industry or between joint builders which are provided in accordance with contractual terms for construction projects.
(6) Endorsements/guarantees provided by each shareholder for their jointly invested company in proportion to their shareholding percentages.
(7) Joint and several security between companies in the same industry for performance guarantees of pre-construction homes under the Consumer Protection Act.

Note 3: The overall amount of guarantees/endorsements provided shall not exceed 50% of the Company's net worth in the most recent financial statements. The amount of guarantees/endorsements provided to a single entity shall not exceed 20% of the net worth in the most recent financial statements. However, the restriction does not apply to guarantees/endorsements to companies whose voting rights are 100% held, either directly or indirectly, by the Company.

Note 4: The maximum endorsement/guarantee balance for the year ended December 31, 2024.

Note 5: This refers to amounts approved by the board of directors. However, where the authority has been delegated by the board to the chairperson in accordance with Subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, this would be the amounts approved by the chairperson.

Note 6: This is the ending balance after evaluation.

Note 7: Fill in "Y" for endorsements/guarantees provided by listed parent companies to subsidiaries and vice versa, and for ones provided to subsidiaries in mainland China.

Note 8: The overall amount of guarantees/endorsements provided shall not exceed 50% of the endorsement/guarantee provider's net worth in the most recent financial statements. The amount of guarantees/endorsements provided to a single entity shall not exceed 20% of the endorsement/guarantee provider's net worth in the most recent financial statements. Due to a decrease in net worth, Koatech Technology Corporation's loan balance and the actual amount drawn have exceeded the permitted limits. Taiflex had requested Koatech Technology Corporation to develop an improvement plan pursuant to Article 16 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies. The subsidiary shall present the improvement plan to each supervisor and complete the necessary improvements according to the plan's timeline.

TABLE 3: MARKETABLE SECURITIES HELD AS OF DECEMBER 31, 2024 (EXCLUDING INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)

(In Thousands of New Taiwan Dollars)

Holder of Marketable Securities	Type of Marketable Securities (Note 1)	Name of Marketable Securities (Note 1)	Relationship with the Issuer (Note 2)	Financial Statement Account	December 31, 2024				Note
					Shares (In Thousands)	Carrying Amount (Note 3)	Ownership Percentage	Fair Value	
Taiflex Scientific Co., Ltd.	Non-listed (OTC) stocks	Exploit Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	25	$ -	0.30%	$ -	-
	Non-listed (OTC) stocks	Kyoritsu Optronics Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	741	-	18.10%	-	-
	Listed stocks	APAQ Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	2,937	436,144	3.30%	436,144	-
	Listed stocks	Zhen Ding Technology Holding Limited	-	Financial assets at fair value through profit or loss - current	255	30,555	0.03%	30,555	-

Note 1: Marketable securities stated in this table refer to stocks, bonds, beneficiary certificates and securities derived from the said items within the scope of IFRS 9 “Financial Instruments.”

Note 2: Not required if the issuer of the marketable securities is not a related party.

Note 3: If marketable securities are measured at fair value, please fill in the fair value after valuation adjustment, net of accumulated impairment. If marketable securities are not measured at fair value, please fill in the original cost or amortized cost, net of accumulated impairment.

TABLE 4: INDIVIDUAL SECURITIES ACQUIRED OR DISPOSED OF WITH ACCUMULATED AMOUNT OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL

(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition (Note 1)		Disposal (Note 1)				Ending Balance	
					Shares (In Thousands)	Amount	Shares (In Thousands)	Amount	Shares (In Thousands)	Selling Price	Carrying Value	Gain/Loss on Disposal	Shares (In Thousands)	Amount (Note 2)
Taiflex Scientific Co., Ltd.	<u>Listed stocks</u>													
	APAQ Technology Co., Ltd.	Financial assets at fair value through other comprehensive income - non-current	-	-	6,139	$ 426,661	-	-	3,202	$ 455,645	$ 202,511	$ 253,134	2,937	$ 436,144

Note 1: The cumulative acquisition and disposal amounts shall be calculated separately at market value to determine whether they reach NT$300 million or 20% of the Company's paid-in capital.

Note 2: The ending balance includes unrealized gain/loss on financial assets.

TABLE 5: RELATED PARTY TRANSACTIONS WITH PURCHASE OR SALES AMOUNT OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL (In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction (Note 1)		Notes/Accounts Receivable (Payable)		Note
			Sales (Purchases)	Amount	Percentage to Total Sales (Purchases)	Collection/ Payment Terms	Unit Price	Collection/ Payment Terms	Ending Balance	Percentage to Total Notes/Accounts Receivable (Payable)	
Taiflex Scientific Co., Ltd.	Shenzhen Taiflex Electronic Co., Ltd.	Holds 100% of the third-tier subsidiary	Sales	$ 690,175	8.40%	Monthly settlement with payment in 180 days	-	-	$ 443,153	16.32%	-
Taiflex Scientific Co., Ltd.	Kunshan Taiflex Electronic Co., Ltd.	Holds 100% of the third-tier subsidiary	Sales	470,475	5.73%	Monthly settlement with payment in 90 days	-	-	197,992	7.29%	-
Taiflex Scientific Co., Ltd.	Rudong Fuzhan Scientific Co., Ltd.	Holds 100% of the third-tier subsidiary	Sales	109,411	10.11%	Monthly settlement with payment in 180 days	-	-	70,791	2.61%	-
Taiflex Scientific Co., Ltd.	Taichem Materials Co., Ltd.	Holds 100% of the third-tier subsidiary	Purchases	339,529	6.37%	Monthly settlement with payment in 180 days	-	-	(5,477)	(0.51%)	-
Shenzhen Taiflex Electronic Co., Ltd.	Taiflex Scientific Co., Ltd.	The company's ultimate parent company	Purchases	690,175	34.78%	Monthly settlement with payment in 180 days	-	-	(443,153)	(33.31%)	-
Shenzhen Taiflex Electronic Co., Ltd.	Rudong Fuzhan Scientific Co., Ltd.	The company's associate	Purchases	1,105,806	55.72%	Monthly settlement with payment in 180 days	-	-	(845,841)	(63.57%)	-
Shenzhen Taiflex Electronic Co., Ltd.	Taiflex Scientific (Thailand) Co., Ltd.	The company's associate	Purchases	173,061	8.72%	Monthly settlement with payment in 180 days	-	-	(38,202)	(2.87%)	-
Kunshan Taiflex Electronic Co., Ltd.	Taiflex Scientific Co., Ltd.	The company's ultimate parent company	Purchases	470,475	66.42%	Monthly settlement with payment in 90 days	-	-	(197,992)	(55.11%)	-
Kunshan Taiflex Electronic Co., Ltd.	Rudong Fuzhan Scientific Co., Ltd.	The company's ultimate parent company	Purchases	227,999	32.19%	Monthly settlement with payment in 180 days	-	-	(155,372)	(43.25%)	-
Rudong Fuzhan Scientific Co., Ltd.	Taiflex Scientific Co., Ltd.	The company's ultimate parent company	Purchases	109,411	11.41%	Monthly settlement with payment in 180 days	-	-	(70,791)	(27.04%)	-
Rudong Fuzhan Scientific Co., Ltd.	Shenzhen Taiflex Electronic Co., Ltd.	The company's associate	Sales	1,105,806	81.45%	Monthly settlement with payment in 180 days	-	-	845,841	83.73%	-
Rudong Fuzhan Scientific Co., Ltd.	Kunshan Taiflex Electronic Co., Ltd.	The company's associate	Sales	227,999	16.79%	Monthly settlement with payment in 180 days	-	-	155,372	15.38%	-
Taichem Materials Co., Ltd.	Taiflex Scientific Co., Ltd.	The company's ultimate parent company	Sales	339,529	92.91%	Monthly settlement with payment in 180 days	-	-	5,477	37.85%	-
Taiflex Scientific (Thailand) Co., Ltd.	Shenzhen Taiflex Electronic Co., Ltd.	The company's associate	Sales	173,061	99.57%	Monthly settlement with payment in 180 days	-	-	38,202	97.96%	-

Note 1: The sales prices and collection terms of sales to related parties are not significantly different from those of sales to non-related parties.

TABLE 6: RECEIVABLES FROM RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL (In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Ratio (times)	Overdue		Amounts Received in Subsequent Periods	Lost Allowance	Note
					Amount	Action Taken			
Taiflex Scientific Co., Ltd.	Shenzhen Taiflex Electronic Co., Ltd.	Holds 100% of the third-tier subsidiary	$ 443,153	1.55	$ -	-	$ 133,790	$ -	-
Taiflex Scientific Co., Ltd.	Kunshan Taiflex Electronic Co., Ltd.	Holds 100% of the third-tier subsidiary	197,992	2.82	-	-	73,390	-	-
Rudong Fuzhan Scientific Co., Ltd.	Shenzhen Taiflex Electronic Co., Ltd.	The company's associate	845,841	1.59	-	-	264,645	-	-
Rudong Fuzhan Scientific Co., Ltd.	Kunshan Taiflex Electronic Co., Ltd.	The company's associate	155,372	1.70	-	-	19,671	-	-
Kunshan Taiflex Electronic Co., Ltd.	Rudong Fuzhan Scientific Co., Ltd.	The company's associate	582,621	(Note 1)	-	-	-	-	-
Koatech Technology Corporation	Kunshan Koatech Technology Corporation	The company holds 100% of the third-tier subsidiary	82,559	0.86	41,176	Continued collection efforts	-	-	-
Koatech Technology Corporation	Kunshan Koatech Technology Corporation	The company holds 100% of the third-tier subsidiary	55,928	(Note 1)	-	-	55,928	-	-

Note 1: These are recognized as other receivables. Thus, turnover ratio analysis does not apply.

TABLE 7: INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE OR CONTROL DIRECTLY OR INDIRECTLY (EXCLUDING INVESTEES IN MAINLAND CHINA)

(In Thousands of New Taiwan Dollars)

Investor	Investee	Business Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2024			Net Income (Loss) of Investee	Share of Profit/Loss	Note
				December 31, 2024	December 31, 2023	Shares (In Thousands)	Ownership Percentage	Carrying Amount			
Taiflex Scientific Co., Ltd.	Taistar Co., Ltd.	Belize	Investment holding	$ 704,536	$ 704,536	21,825	100.00%	$ 811,460	$ (10,449)	$ (10,449)	(Note 2)
Taiflex Scientific Co., Ltd.	Leadmax Limited	Samoa	Trading of electronic materials	-	337	-	-	-	-	-	(Note 3)
Taiflex Scientific Co., Ltd.	Koatech Technology Corporation	Taiwan	Manufacturing and selling of electronic materials and components	320,761	320,761	16,124	52.97%	108,433	(128,191)	(67,903)	-
Taiflex Scientific Co., Ltd.	Innovision FlexTech Corp.	Taiwan	Manufacturing and selling of electronic materials	72,506	88,568	2,799	10.62%	10,252	(20,558)	(2,109)	-
Taiflex Scientific Co., Ltd.	TFS Co., Ltd.	Belize	Investment holding	478,797	478,797	15,520	100.00%	531,679	(4,533)	(4,533)	(Note 2)
Taiflex Scientific Co., Ltd.	Richstar Co., Ltd.	Samoa	Investment holding	1,316,239	1,316,239	44,000	73.94%	1,508,065	(17,394)	(12,861)	(Note 2)
Taiflex Scientific Co., Ltd.	Taiflex Scientific Japan Co., Ltd.	Japan	Trading and technical support of electronic materials	16,260	16,260	6	100.00%	14,554	327	327	-
Taiflex Scientific Co., Ltd.	Taiflex USA Corporation	U.S.A.	Technical support and marketing of electronic materials	8,820	8,820	1	100.00%	12,017	312	312	-
Taiflex Scientific Co., Ltd.	Taichem Materials Co., Ltd.	Taiwan	Manufacturing and selling of semiconductor materials	246,000	246,000	17,000	100.00%	315,251	63,386	63,419	(Note 1)
Taiflex Scientific Co., Ltd.	Taiflex Green Power Co., Ltd.	Taiwan	Generation and selling of electricity from renewables	50,000	50,000	5,000	100.00%	53,041	1,338	1,352	(Note 1)
Taiflex Scientific Co., Ltd.	Taiflex Scientific (Thailand) Co., Ltd.	Thailand	Manufacturing and selling of electronic materials	1,061,848	796,455	120,600	100.00%	1,088,707	(55,521)	(55,632)	(Note 2)
TFS Co., Ltd.	Richstar Co., Ltd.	Samoa	Investment holding	478,563	478,563	15,510	26.06%	534,641	(17,394)	(4,533)	(Note 2)
Taistar Co., Ltd.	TSC International Ltd.	Cayman Islands	Investment holding	683,946	683,946	21,170	100.00%	799,131	(9,584)	(9,584)	-
Koatech Technology Corporation	KTC Global Co., Ltd.	Samoa	Investment holding	113,517	113,517	3,960	100.00%	(60,395)	(105,063)	(105,063)	-
KTC Global Co., Ltd.	KTC PanAsia Co., Ltd.	Samoa	Investment holding	113,368	113,368	3,955	100.00%	(61,169)	(105,063)	(105,063)	-

Note 1: Including depreciation of right-of-use assets and amortization of lease liabilities.
Note 2: Including unrealized gain/loss between companies.
Note 3: Liquidated in February 2024.

TABLE 8: INFORMATION ON INVESTMENTS IN MAINLAND CHINA (In Thousands of New Taiwan Dollars)

Investor	Investee	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflows of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflows of Investment from Taiwan as of December 31, 2024	Profit/Loss of Investee	Ownership Percentage (Direct or Indirect Investment)	Share of Profit/Loss	Carrying Amount as of December 31, 2024	Accumulated Inward Remittances of Earnings as of December 31, 2024
						Outflow	Inflow						
Taiflex Scientific Co., Ltd.	Kunshan Taiflex Electronic Co., Ltd.	Selling of chemical products, electronic materials and electronic components	$767,141 (US$24,000,000)	2	$ 767,141	$ -	$ -	$ 767,141	$ (9,584)	100.00%	$ (9,584)	$ 799,054	$ 135,257
	Rudong Fuzhan Scientific Co., Ltd.	Manufacturing and selling of electronic materials	$1,316,239 (US$44,000,000)	2	1,316,239	-	-	1,316,239	11,863	100.00%	6,060	1,341,223	-
	Shenzhen Taiflex Electronic Co., Ltd.	Trading of coating materials for high polymer film and copper foil	$479,160 (US$15,500,000)	2	479,160	-	-	479,160	(23,454)	100.00%	(23,454)	722,543	-
Koatech Technology Corporation	Kunshan Koatech Technology Corporation	A wholesaler and a commission agent of electronic materials and components	$113,219 (US$3,950,000)	2	113,219	-	-	113,219	(105,063)	52.97%	(55,652)	(32,408)	-

	Accumulated Outflows of Investment from Taiwan to Mainland China as of December 31, 2024	Investment Amounts Approved by the Investment Commission, MOEA	Upper Limit of Investment
Taiflex Scientific Co., Ltd.	$2,562,540	$2,580,303	(Note 3)
Koatech Technology Corporation	$113,219	$140,222	$27,425

Note 1: The methods for investment in mainland China are categorized into the following three types. Please specify the type.
(1) Direct investment in mainland China.
(2) Investment in mainland China through companies in the third area.
(3) Others.

Note 2: Significant transactions with the investees in China, either directly or indirectly through the third area, and the relevant prices, payment terms and unrealized gains or losses:
(1) Purchase and ending balance of related payables and their weightings: see Table 5.
(2) Sales and ending balance of related receivables and their weightings: see Tables 5 and 6.
(3) The transaction amount and gain or loss arising from property transactions: N/A.
(4) Ending balance of endorsements/guarantees or collateral provided and the purposes: see Table 2.
(5) Maximum balance, ending balance, interest rate range and total interest of current period from financing provided to others: see Table 1.
(6) Transactions that have significant impact on profit or loss of the current period or the financial position, such as services rendered or received: N/A.

Note 3: The Company received official documents issued by the Industrial Development Bureau, Ministry of Economic Affairs certifying the Company being qualified for operating headquarters. Thus, the limit stipulated in the "Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China" does not apply.

Note 4: The upper limit of investment is calculated as follows:
Koatech Technology Corporation: NT$45,709 thousand × 60% = NT$27,425 thousand

TABLE 9: INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS (In Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Account	Amount (Note 4)	Terms	Percentage to Parent Company Only Net Revenue or Total Assets (Note 3)
0	Taiflex Scientific Co., Ltd.	Shenzhen Taiflex Electronic Co., Ltd.	1	Sales revenue	$ 690,175	General trading terms	6.94%
0	Taiflex Scientific Co., Ltd.	Shenzhen Taiflex Electronic Co., Ltd.	1	Accounts receivable	443,153	General trading terms	3.05%
0	Taiflex Scientific Co., Ltd.	Kunshan Taiflex Electronic Co., Ltd.	1	Sales revenue	470,475	General trading terms	4.73%
0	Taiflex Scientific Co., Ltd.	Kunshan Taiflex Electronic Co., Ltd.	1	Accounts receivable	197,992	General trading terms	1.36%
0	Taiflex Scientific Co., Ltd.	Rudong Fuzhan Scientific Co., Ltd.	1	Sales revenue	109,411	General trading terms	1.10%
0	Taiflex Scientific Co., Ltd.	Rudong Fuzhan Scientific Co., Ltd.	1	Accounts receivable	70,791	General trading terms	0.49%
0	Taiflex Scientific Co., Ltd.	Taiflex Scientific (Thailand) Co., Ltd.	1	Other receivables	23,823	General trading terms	0.16%
1	Rudong Fuzhan Scientific Co., Ltd.	Shenzhen Taiflex Electronic Co., Ltd.	3	Sales revenue	1,105,806	General trading terms	11.13%
1	Rudong Fuzhan Scientific Co., Ltd.	Shenzhen Taiflex Electronic Co., Ltd.	3	Accounts receivable	845,841	General trading terms	5.82%
1	Rudong Fuzhan Scientific Co., Ltd.	Kunshan Taiflex Electronic Co., Ltd.	3	Sales revenue	227,999	General trading terms	2.29%
1	Rudong Fuzhan Scientific Co., Ltd.	Kunshan Taiflex Electronic Co., Ltd.	3	Accounts receivable	155,372	General trading terms	1.07%
2	Kunshan Taiflex Electronic Co., Ltd.	Rudong Fuzhan Scientific Co., Ltd.	3	Other receivables	582,621	Financing, with terms agreed by both parties	4.01%
3	Taichem Materials Co., Ltd.	Taiflex Scientific Co., Ltd.	2	Sales revenue	339,529	General trading terms	3.42%
4	Koatech Technology Corporation	Kunshan Koatech Technology Corporation	3	Sales revenue	69,605	General trading terms	0.70%
4	Koatech Technology Corporation	Kunshan Koatech Technology Corporation	3	Other receivables	55,928	Financing, with terms agreed by both parties	0.38%
4	Koatech Technology Corporation	Kunshan Koatech Technology Corporation	3	Accounts receivable	82,559	General trading terms	0.57%
5	Taiflex Scientific (Thailand) Co., Ltd.	Shenzhen Taiflex Electronic Co., Ltd.	3	Sales revenue	173,061	General trading terms	1.19%
5	Taiflex Scientific (Thailand) Co., Ltd.	Shenzhen Taiflex Electronic Co., Ltd.	3	Accounts receivable	38,202	General trading terms	0.38%

Note 1: Transaction information between the parent company and its subsidiaries shall be disclosed by codes below:
(1) Taiflex Scientific Co., Ltd. is coded “0.”
(2) The subsidiaries are coded from “1” in the order presented in the table above.

Note 2: Relationships are categorized into the following three types. Please specify the type.
(1) From the parent company to a subsidiary.
(2) From a subsidiary to the parent company.
(3) Between subsidiaries.

Note 3: Regarding the percentage of transaction amount to parent company only net revenue or total assets, it is computed based on the ending balance to the parent company only total assets for balance sheet items; and based on the interim accumulated amount to the parent company only net revenue for profit or loss items.

Note 4: Eliminated upon consolidation.

TABLE 10: INFORMATION ON MAJOR SHAREHOLDERS (In Shares)

Share / Name of Major Shareholder	Total Shares Owned	Ownership Percentage
Chang Wah Electromaterials Inc.	17,929,336	6.99%
Qiao Mei Development Corporation	17,011,579	6.63%

Note 1: Major shareholders in the table above are shareholders owning 5% or more of the Company's common and preferred stocks (only the ones that have completed dematerialized registration and delivery, and include treasury stocks) based on calculations performed by the Taiwan Depository & Clearing Corporation using data as of the last business date at the end of each quarter. The amount of capital in the financial statements may differ from the Company's actual number of stocks that have completed dematerialized registration and delivery due to different calculation bases.

Note 2: Where the stocks are entrusted by shareholders, information is disclosed by the individual account of settlor who has segregated trust accounts opened by trustees. As for shareholders filing shareholdings of insiders with 10% or more of the Company's stocks pursuant to the securities and exchange laws and regulations, the number of stocks owned shall be the ones owned by the persons plus the ones entrusted where the shareholders have the power to decide how to utilize the trust property. Please access the Market Observation Post System website for information on insiders' shareholding filings.

TAIFLEX SCIENTIFIC COMPANY LIMITED
1. STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Item	Description	Amount	Note
Petty cash		$ 150	
Cash on hand		183	
Subtotal		333	
Bank deposits:			
Checking & demand deposits in NTD		387,392	Exchange rate:
Demand deposits - USD	US$ 16,061 thousand	526,910	32.806
Demand deposits - JPY	JPY 78,743 thousand	16,528	0.2099
Demand deposits - HKD	HK$ 7 thousand	28	4.2280
Demand deposits - RMB	RMB 20,918 thousand	93,750	4.4817
Time deposits in NTD		850,000	
Subtotal		1,874,608	
Repurchased agreements		49,845	Term: 2024/12/26 to 2025/2/27 Interest rate: 1.80%
Total		$ 1,924,786	

TAIFLEX SCIENTIFIC COMPANY LIMITED
2. STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT
DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Name	Description	Number of Stocks	Fair Value		Note
			Unit Price	Total	
Listed stocks	Zhen Ding Technology Holding Limited	255 thousand	120.00	$30,555	
Forward foreign exchange contract	Notional amount of RMB48,000 thousand/ NT$216,318 thousand			1,705	
Redemption option of convertible bonds				125	
				$32,385	

TAIFLEX SCIENTIFIC COMPANY LIMITED
3. STATEMENT OF FINANCIAL ASSETS AT AMORTIZED COST - CURRENT
DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Item	Description	Amount	Note
Time deposits in NTD		$ 200,000	

TAIFLEX SCIENTIFIC COMPANY LIMITED
4. STATEMENT OF NOTES RECEIVABLE, NET
DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Customer	Description	Amount	Note
Company A		$ 436	
Company B		42	
Company C		38	
Company D		29	
Others (Note)		31	
Total		576	
Less: Loss allowance		-	
Net		$ 576	

Note: Customers with balances less than 5% of this account are shown in aggregate.

TAIFLEX SCIENTIFIC COMPANY LIMITED
5. STATEMENT OF ACCOUNTS RECEIVABLE, NET
DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Customer	Description	Amount	Note
Company E		$ 417,237	
Company F		235,107	
Company G		170,295	
Company H		167,301	
Company I		165,805	
Company J		153,376	
Company K		131,187	
Company L		123,905	
Others (Note)		438,217	
Total		$ 2,002,430	
Less: Loss allowance		(36,685)	
Net		$ 1,965,745	

Note: Customers with balances less than 5% of this account are shown in aggregate.

TAIFLEX SCIENTIFIC COMPANY LIMITED
6. STATEMENT OF ACCOUNTS RECEIVABLE - RELATED PARTIES
DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Customer	Description	Amount	Note
Shenzhen Taiflex Electronic Co., Ltd.		$ 443,153	
Kunshan Taiflex Electronic Co., Ltd.		197,992	
Rudong Fuzhan Scientific Co., Ltd.		70,791	
Others		213	
Total		712,149	
Less: Loss allowance		-	
Net		$ 712,149	

TAIFLEX SCIENTIFIC COMPANY LIMITED
7. STATEMENT OF OTHER RECEIVABLES
DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Item	Description	Amount	Note
Income tax refund receivable	Business tax refund receivable	$ 29,443	
Other receivables	Receivables from supplementary orders and allowances	5,775	
Earned revenue receivable	Estimated interest income from time deposits	1,571	
Total		$ 36,789	

TAIFLEX SCIENTIFIC COMPANY LIMITED
8. STATEMENT OF OTHER RECEIVABLES - RELATED PARTIES
DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Customer	Description	Amount	Note
Taiflex Scientific (Thailand) Co., Ltd.	Items purchased on behalf of others	$ 23,823	
Taichem Materials Co., Ltd.	Mainly items purchased on behalf of others	16,523	
Rudong Fuzhan Scientific Co., Ltd.	Items purchased on behalf of others	15,659	
Ohers		50	
Total		$ 56,055	

TAIFLEX SCIENTIFIC COMPANY LIMITED
9. STATEMENT OF INVENTORIES
DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Item	Cost	Net Realizable Value	Note
Raw materials	$ 460,073	$ 532,593	
Inventories in transit	11,893	-	
Supplies	8,366	13,015	
Work in progress	67,323	87,472	
Finished goods	511,047	632,957	
Merchandise	1,521	1,986	
Total	1,060,223		

TAIFLEX SCIENTIFIC COMPANY LIMITED
10. STATEMENT OF PREPAYMENTS
DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Item	Description	Amount	Note
Prepaid expenses		$ 17,970	
Overpaid sales tax		1,000	
Other prepayments	Trademark and patent applications	1,714	
Others (Note)		101	
Total		$ 20,785	

Note: Items with balances less than 5% of this account are shown in aggregate.

TAIFLEX SCIENTIFIC COMPANY LIMITED
11. STATEMENT OF OTHER CURRENT ASSETS
DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Item	Description	Amount	Note
Other financial assets		$ 20,280	
Temporary payments		748	
Others (Note)		22	
Total		$ 21,050	

Note: Items with balances less than 5% of this account are shown in aggregate.

TAIFLEX SCIENTIFIC COMPANY LIMITED
12. STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH
OTHER COMPREHENSIVE INCOME - NON-CURRENT
DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Name	Description	Number of Stocks	Fair Value		Note
			Unit Price	Total	
Listed stocks	APAQ Technology Co., Ltd.	2,937 thousand	148.50	$ 436,144	

TAIFLEX SCIENTIFIC COMPANY LIMITED
13. STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Investee	Beginning Balance		Increase		Decrease		Share of Profit/Loss of Investee	Exchange Differences Arising on Translation of Foreign Operations	Ending Balance			Market Value or Net Equity Value	Valuation Basis	Collateral/ Pledge	Note
	Shares	Amount	Shares	Amount	Shares	Amount			Shares	Ownership Percentage	Amount				
Taistar Co., Ltd.	21,825,000	$ 795,519	-	$ -	-	$ (1,555)	$ (10,449)	$ 27,945	21,825,000	100.00%	$ 811,460	$ 811,460	Equity method	None	(Note 1)
Leadmax Limited	10,000	525	-	-	(10,000)	(809)	-	284	-	-	-	-	Equity method	None	(Note 2)
Innovision FlexTech Corp.	3,418,794	15,152	-	-	(620,000)	(2,791)	(2,109)	-	2,798,794	10.62%	10,252	25,105	Equity method	None	(Note 3)
Koatech Technology Corp.	16,123,687	175,817	-	-	-	-	(67,903)	519	16,123,687	52.97%	108,433	108,433	Equity method	None	
TFS Co., Ltd.	15,520,000	519,027	-	-	-	(574)	(4,533)	17,759	15,520,000	100.00%	531,679	531,679	Equity method	None	(Note 4)
Richstar Co., Ltd.	44,000,000	1,472,206	-	-	-	(1,649)	(12,861)	50,369	44,000,000	73.94%	1,508,065	1,508,065	Equity method	None	(Note 5)
Taiflex Scientific Japan Co., Ltd.	6,000	14,746	-	-	-	-	327	(519)	6,000	100.00%	14,554	14,554	Equity method	None	
Taiflex USA Corporation	1,000	10,965	-	-	-	-	312	740	1,000	100.00%	12,017	12,017	Equity method	None	
Taichem Materials Co., Ltd.	17,000,000	291,960	-	359	-	(40,487)	63,419	-	17,000,000	100.00%	315,251	315,251	Equity method	None	(Note 6)
Taiflex Green Power Co., Ltd.	5,000,000	51,689	-	-	-	-	1,352	-	5,000,000	100.00%	53,041	53,041	Equity method	None	
Taiflex Scientific (Thailand) Co., Ltd.	91,600,000	816,689	29,000,000	265,393	-	-	(55,632)	62,257	120,600,000	100.00%	1,088,707	1,088,707	Equity method	None	(Note 7)
Subtotal		$4,164,295		$ 265,752		$ (47,865)	$ (88,077)	$ 159,354			$ 4,453,459				
Less: Accumulated impairment		-		-		-	-	-			-				
Net		$4,164,295		$ 265,752		$ (47,865)	$ (88,077)	$ 159,354			$ 4,453,459				

Note 1: The decrease was a result of downstream transactions between subsidiaries of NT$1,555 thousand.
Note 2: Liquidated in February 2024.
Note 3: The decrease was a result of disposal of subsidiaries' shares of NT$2,826 thousand and adjustment for non-proportional share subscription of NT$(35) thousand.
Note 4: The decrease was a result of downstream transactions between subsidiaries of NT$574 thousand.
Note 5: The decrease was a result of downstream transactions between subsidiaries of NT$1,649 thousand.
Note 6: The increase was a result of subsidiaries' compensation costs of employee stock options of NT$359 thousand. The decrease was a result of subsidiaries' cash dividend distribution of NT$40,487 thousand.
Note 7: The increase was a result of an increase in investment of NT$265,393 thousand.

TAIFLEX SCIENTIFIC COMPANY LIMITED
14. STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Item	Beginning Balance	Changes			Ending Balance	Collateral/ Pledge
		Addition	Disposal	Reclassification		
Original cost						
Buildings	$1,200,923	$ 10,132	$ -	$ 72,394	$1,283,449	
Machinery and equipment	2,990,128	53,516	(236)	291,350	3,334,758	
Hydropower equipment	403,684	11,245	-	35,742	450,671	
Testing equipment	308,213	12,900	(9,286)	18,223	330,050	
Miscellaneous equipment	239,175	4,209	(12,488)	2,226	233,122	
Subtotal	5,142,123	92,002	(22,010)	419,935	5,632,050	
Construction in progress and equipment awaiting inspection	500,826	20,026	-	(422,272)	98,580	
Total cost	$5,642,949	$ 112,028	$ (22,010)	$ (2,337)	$5,730,630	

TAIFLEX SCIENTIFIC COMPANY LIMITED
15. STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF
PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Item	Beginning Balance	Changes			Ending Balance	Note
		Increase	Decrease	Reclassification		
Buildings	$ 445,818	$ 53,992	$ -	$ -	$ 499,810	
Machinery and equipment	2,142,635	188,438	(236)	-	2,330,837	
Hydropower equipment	275,785	18,864	-	-	294,649	
Testing equipment	211,878	24,004	(8,901)	-	226,981	
Miscellaneous equipment	166,171	17,823	(12,488)	-	171,506	
Total accumulated depreciation	$3,242,287	$ 303,121	$ (21,625)	$ -	$3,523,783	

TAIFLEX SCIENTIFIC COMPANY LIMITED
16. STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Item	Beginning Balance	Changes				Ending Balance	Note
		Addition	Disposal	Remeasurement of Lease Liabilities	Reclassification		
Original cost							
Right-of-use assets - Land	$ 250,996	$ -	$ -	$ (38,818)	$ -	$ 212,178	
Right-of-use assets - Transportation equipment	29,196	13,325	(4,656)	(410)	-	37,455	
Total costs	$ 280,192	$ 13,325	$ (4,656)	$ (39,228)	$ -	$ 249,633	

TAIFLEX SCIENTIFIC COMPANY LIMITED
17. STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Item	Beginning Balance	Changes				Ending Balance	Note
		Addition	Disposal	Remeasurement of Lease Liabilities	Reclassification		
Right-of-use assets - Land	$ 30,530	$ 5,408	$ -	$ -	$ -	$ 35,938	
Right-of-use assets - Transportation equipment	11,174	8,621	(4,022)	-	-	15,773	
Total accumulated depreciation	$ 41,704	$ 14,029	$ (4,022)	$ -	$ -	$ 51,711	

TAIFLEX SCIENTIFIC COMPANY LIMITED
18. STATEMENT OF CHANGES IN INTANGIBLE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024
In Thousands of New Taiwan Dollars

Item	Beginning Balance	Addition	Reclassification	Ending Balance	Note
Original cost					
Trademarks	$ 515	$ -	$ -	$ 515	
Patents	12,919	83	-	13,002	
Computer software	160,240	7,518	1,964	169,722	
Total	$ 173,674	$ 7,601	$ 1,964	$ 183,239	

TAIFLEX SCIENTIFIC COMPANY LIMITED
19. STATEMENT OF CHANGES IN ACCUMULATED AMORTIZATION
OF INTANGIBLE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024
In Thousands of New Taiwan Dollars

Item	Beginning Balance	Increase	Reclassification	Ending Balance	Note
Trademarks	$ 407	$ 45	$ -	$ 452	
Patents	6,837	630	-	7,467	
Computer software	89,062	18,954	-	108,016	
Total	$ 96,306	$ 19,629	$ -	$ 115,935	

TAIFLEX SCIENTIFIC COMPANY LIMITED
20. STATEMENT OF OTHER NON-CURRENT ASSETS
DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Item	Description	Amount	Note
Refundable deposits	1. Security deposit for car leases	$ 5,044	
	2. Construction bonds	1,700	
	3. Others (Note)	602	
		$ 7,346	

Note: Items with balances less than 5% of this account are shown in aggregate.

TAIFLEX SCIENTIFIC COMPANY LIMITED
21. STATEMENT OF FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT
DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Name	Description	Number of Stocks	Fair Value		Note
			Unit Price	Total	
Forward foreign exchange contract	Notional amount of RMB42,000 thousand/ NT$186,705 thousand			$ 475	
	Notional amount of US$3,000 thousand/ NT$96,425 thousand			1,779	
				$ 2,254	

TAIFLEX SCIENTIFIC COMPANY LIMITED
22. STATEMENT OF NOTES PAYABLES
DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Vendor	Description	Amount	Note
Company M		$ 3	

Note: Vendors with balances less than 5% of this account are shown in aggregate.

TAIFLEX SCIENTIFIC COMPANY LIMITED
23. STATEMENT OF ACCOUNTS PAYABLES
DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Vendor	Description	Amount	Note
Company N		$ 480,961	
Company O		142,809	
Company P		70,676	
Company Q		59,301	
Company R		58,810	
Others (Note)		252,746	
Total		$ 1,065,303	

Note: Vendors with balances less than 5% of this account are shown in aggregate.

TAIFLEX SCIENTIFIC COMPANY LIMITED
24. STATEMENT OF ACCOUNTS PAYABLE – RELATED PARTIES
DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Vendor	Description	Amount	Note
Rudong Fuzhan Scientific Co., Ltd.		$ 7,982	
Taichem Materials Co., Ltd.		5,477	
Shenzhen Taiflex Electronic Co., Ltd.		2,690	
Kunshan Taiflex Electronic Co., Ltd.		847	
Taiflex Scientific (Thailand) Co., Ltd.		800	
Total		$ 17,796	

TAIFLEX SCIENTIFIC COMPANY LIMITED

25. STATEMENT OF OTHER PAYABLES

DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Item	Description	Amount	Note
Bonus payables	Year-end and performance bonuses	$ 196,479	
Employee compensation payables		60,132	
Others (Note)		353,816	
Total		$ 610,427	

Note: Items with balances less than 5% of this account are shown in aggregate.

TAIFLEX SCIENTIFIC COMPANY LIMITED

26. STATEMENT OF OTHER PAYABLES - RELATED PARTIES

DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Vendor	Description	Amount	Note
Taiflex USA Corporation		$ 10,989	
Taiflex Scientific Japan Co., Ltd.		7,513	
SINYA Digital Co., Ltd.		4,299	
Koatech Technology Corporation		3,722	
Innatech Co., Ltd.		2,544	
Rudong Fuzhan Scientific Co., Ltd.		994	
Total		$ 30,061	

TAIFLEX SCIENTIFIC COMPANY LIMITED
27. STATEMENT OF BONDS PAYABLE
DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Name	Trustee	Issuance Date	Interest Payment Date	Coupon Rate	Amount					Repayment	Collateral	Note
					Total Amount	Repayment Paid/ Converted	Ending Balance	Unamortized Premiums (Discounts)	Carrying Amount			
Overseas unsecured convertible corporate bonds	KGI Securities	2021.11.30	-	0.00%	$1,945,300	$(1,695,190)	$ 250,110	$ (4,567)	$ 245,543	(Note 2)	None	(Note 1)
Less: Current portion									-			
Net									$ 245,543			

Note 1: The bond is issued on the Singapore Exchange Securities Trading Limited.

Note 2: The bonds are converted into U.S. dollars equivalent to the New Taiwan dollar amount using a fixed exchange rate for the repayment, repurchase and redemption of the bonds. The fixed exchange rate is determined with reference to the US$/NT$ fixing published by Taipei Forex Inc. at 11 a.m. on the pricing date (US$1.00 = NT$27.79).

TAIFLEX SCIENTIFIC COMPANY LIMITED
28. STATEMENT OF LONG-TERM LOANS
DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Bank	Type	Amount	Current Portion	Net	Contract Term	Interest Rate	Collateral	Repayment
Export-Import Bank of the Republic of China	Medium to long-term credit loan	$ 200,000	$ -	$ 200,000	2023.08.04-2029.08.04	1.8354%	None	2023.08.04~2029.08.04, non-revolving for six years from the initial drawdown date, principal to be repaid in 8 equal semiannual installments after the grace period of 30 months with quarterly interest payment
Total		$ 200,000	$ -	$ 200,000				

TAIFLEX SCIENTIFIC COMPANY LIMITED
29. STATEMENT OF LEASE LIABILITIES
DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Item	Description	Lease Term	Discount Rate	Ending Balance	Note
Land		2016.01.01-2067.12.31	1.7970%	$ 186,484	
Transportation equipment		2020.03.26-2029.07.30	1.0511%~1.9405%	21,894	
			Total	$ 208,378	
			Current portion of lease liabilities	(12,021)	
			Lease liabilities - non-current	$ 196,357	

TAIFLEX SCIENTIFIC COMPANY LIMITED
30. STATEMENT OF OTHER CURRENT LIABILITIES
DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Item	Amount	Note
Receipts under custody	$ 3,197	

TAIFLEX SCIENTIFIC COMPANY LIMITED
31. STATEMENT OF NET DEFINED BENEFIT LIABILITIES - NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Item	Amount	Note
Beginning balance	$ 132,642	
Expenses incurred	6,613	
Contributions	(2,613)	
Actuarial gains or losses	(21,643)	
Ending balance	$ 114,999	

TAIFLEX SCIENTIFIC COMPANY LIMITED
32. STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Item	Quantity	Amount
Electronic materials	32,481,385	$ 8,015,788
Others (Note)	47,576	396,885
Total		8,412,673
Less: Sales returns and discounts and allowances	(17,209)	(197,244)
Net		$ 8,215,429

Note: Items with balances less than 10% of operating revenue are shown in aggregate.

TAIFLEX SCIENTIFIC COMPANY LIMITED
33. STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Item			Amount
Manufacturing:			
	Raw materials, beginning balance		$ 719,857
	Add:	Purchases	4,998,151
	Less:	Raw materials, ending balance	(602,805)
		Others	(194,469)
		Sale of raw materials	(5,004)
		Scrapped	(1,180)
	Raw materials used		4,914,550
	Direct labor		319,755
	Manufacturing overhead		1,179,103
	Total manufacturing cost		6,413,408
	Add:	Work in progress, beginning balance	33,743
	Less:	Work in progress, ending balance	(69,460)
		Others	-
	Cost of finished goods		6,377,691
	Add:	Finished goods, beginning balance	412,072
		Purchases	364,473
	Less:	Finished goods, ending balance	(585,803)
		Others	(93,619)
		Scrapped	(10,789)
	Total cost of production and sales		6,464,025
Trading:			
	Merchandise, beginning balance		4,387
	Add:	Purchases	7,619
	Less:	Merchandise, ending balance	(1,621)
		Others	(10,677)
		Scrapped	(96)
	Cost of goods sold		6,463,637
	Others		(4,034)
	Total operating costs		$ 6,459,603

TAIFLEX SCIENTIFIC COMPANY LIMITED
34. STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Item	Sales and Marketing Expenses	General and Administrative Expenses	Research and Development Expenses	Total
Payroll	$ 46,141	$ 193,128	$ 97,265	$ 336,534
Research and experiment	-	-	139,829	139,829
Export	169,519	1,338	63	170,920
Sample submission	45,174	-	-	45,174
Depreciation	1,122	11,502	32,894	45,518
IT	45	24,898	-	24,943
Service fees	28,924	22,437	1,352	52,713
Others (Note)	62,868	140,878	60,223	263,969
Total	$ 353,793	$ 394,181	$ 331,626	$ 1,079,600

Note: Items with balances less than 5% of this account are shown in aggregate.

TAIFLEX SCIENTIFIC COMPANY LIMITED
35. STATEMENT OF NON-OPERATING INCOME AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

In Thousands of New Taiwan Dollars

Item	Amount
Interest income	$ 26,224
Dividend income	10,574
Rental income	4,893
Miscellaneous income	22,498
Total other income	37,965
Gain on disposal of property, plant and equipment	675
Gain on disposal of investments accounted for using the equity method	3,914
Foreign exchange gain, net	127,400
Net loss on financial assets and liabilities at fair value through profit or loss	(30,991)
Other losses	(3,137)
Total other gains and losses	97,861
Finance costs	(18,245)
Share of profit or loss of subsidiaries and associates accounted for using the equity method	(88,077)
Total non-operating income and expenses	$ 55,728