

First Hi-tec Enterprise Co., Ltd.
and Subsidiaries

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

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Statement on the Consolidated Financial Reports of Affiliated Enterprises

For the fiscal year 2024 (from January 1 to December 31, 2024), the entities that are required to be included in the consolidated financial statements for affiliated enterprises in accordance with the “Regulations Governing the Preparation of Consolidated Business Reports, Consolidated Financial Statements, and Affiliation Reports of Affiliated Enterprises” are the same as those required to be included in the consolidated financial statements for parent and subsidiary companies under International Financial Reporting Standard No. 10 (IFRS 10).

Furthermore, the relevant disclosures required in the consolidated financial statements for affiliated enterprises have already been fully disclosed in the aforementioned consolidated financial statements for parent and subsidiary companies.

Accordingly, a separate set of consolidated financial statements for affiliated enterprises will not be prepared.

Sincerely,

Company Name: First Hi-tec Enterprise Co., Ltd.

Responsible Person: *Mr. Ching-Shan Chang*

Date: March 12, 2025

Independent Auditors' Report

First Hi-tec Enterprise Co., Ltd.

To the Shareholders:

Audit Opinion

The balance sheets of First Hi-tec Enterprise Co., Ltd. as of December 31, 2024 and December 31, 2023 the related statements of consolidated comprehensive income, consolidated statement changes in equity, consolidated statement of cash flows, and accompanying notes to the consolidated financial statements for the years ended December 31, 2024 and December 31, 2023 have been audited by us.

In our opinion, the aforementioned consolidated financial statements present fairly, in all material respects, the financial position of First Hi-tec Enterprise Co., Ltd. as of December 31, 2024 and December 31, 2023 and the financial performance and cash flows for the years then ended, in accordance with the Securities Issuance Company Financial Report Preparation Standards, International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretive Bulletins issued by the Financial Supervisory Commission and effective in the Republic of China.

Basis for Audit Opinion

The basis for our opinion is the Audit Engagement Standards and Auditing Standards, under which we conducted our audit. Our responsibilities under these standards are further described in the Responsibility of the Auditor for the Audit of the Consolidated Financial Statements section of our report. Personnel of our firm subject to the independence requirements of these standards have complied with the relevant ethical requirements regarding independence, and have fulfilled their other responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of First Hi-tec Enterprise Co., Ltd. and Its Subsidiaries for the year ended December 31, 2024. These matters were addressed in the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the audit of the consolidated financial statements of First Hi-tec Enterprise Co., Ltd. and its subsidiaries for the year ended December 31, 2024, are described as follows:

Revenue Recognition

The First Hi-Tec Enterprise Co., Ltd., and its subsidiaries primarily engage in the manufacturing and sale of printed circuit boards and related products.

According to the accounting policy disclosed in Note 4 to the consolidated financial statements, revenue from product sales is recognized when control of the goods is transferred to the customer and the performance obligation is satisfied, in accordance with IFRS 15. The Group's sales are highly concentrated in its top two customers, which accounted for approximately 79% of consolidated revenue for the year ended December 31, 2024. Due to the high customer concentration and the material impact of these sales on the consolidated financial statements, we identified the revenue recognition related to these customers as a key audit matter.

The auditor obtained an understanding of and tested the design and implementation of the accounting policies and internal controls related to revenue recognition. Performed substantive testing on sales transactions and collections from the aforementioned major customers to verify the occurrence and accuracy of the recognized revenue. The auditor also sent confirmation letters to those customers to assess the appropriateness of revenue recognition for sales amounts not yet collected as of year-end.

Other Matter

First Hi-tec Enterprise Co., Ltd., has also prepared standalone financial statements for the years ended December 31, 2024 and 2023, on which we have issued unmodified audit opinions. These standalone financial statements are available for reference.

Responsibility of Management and Governance Body for the Consolidated Financial Statements

The responsibility of management is to prepare financial statements that fairly present the financial position, results of operations, and cash flows of First Hi-tec Enterprise Co., Ltd. in accordance with the Securities Issuance Company Financial Report Preparation Standards, International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretive Bulletins issued by the Financial Supervisory Commission and effective in the Republic of China. Management is also responsible for maintaining adequate internal controls relevant to the preparation of the consolidated financial statements to ensure that they are free from material misstatement due to fraud or error.

In preparing the consolidated financial statements, management's responsibility also includes assessing First Hi-tec Enterprise Co., Ltd.'s ability to continue as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless management intends to liquidate First Hi-tec Enterprise Co., Ltd. or cease operations, or has no realistic alternative but to do so other than through liquidation or cessation of operations.

The governance body of First Hi-tec Enterprise Co., Ltd. including the Audit Committee, has a responsibility to oversee the financial reporting process.

Responsibility of the Auditor for the Audit of the Consolidated Financial Statements

The purpose of our audit of the consolidated financial statements is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report. Reasonable assurance is a high level of assurance, but the audit work performed in accordance with auditing standards cannot guarantee that all material misstatements in the consolidated financial statements will be detected. Misstatements may arise from fraud or error. Material misstatements are those that, in our professional judgment, could reasonably be expected to influence the economic decisions of users of the financial statements.

When conducting an audit in accordance with auditing standards, we, as auditors, employ professional judgment and skepticism. We also perform the following procedures:

1. Identify and assess the risks of material misstatement due to fraud or error in the consolidated financial statements; design and implement appropriate responses to such assessed risks; and obtain sufficient and appropriate audit evidence to form the basis for our audit opinion. The risk of material misstatement due to fraud is higher than that due to error because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal controls.
2. Obtain the necessary understanding of internal controls relevant to the audit and design appropriate audit procedures under the circumstances, although our objective is not to express an opinion on the effectiveness of First Hi-tec Enterprise Co., Ltd.'s internal controls and its subsidiaries.
3. Evaluate the appropriateness of the accounting policies adopted by management and the reasonableness of accounting estimates made by management, as well as the related disclosures.
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 events or conditions exist that may cast significant doubt on First Hi-tec Enterprise Co., Ltd.'s and its subsidiaries ability to continue as a going concern. If we determine that such events or conditions give rise to significant uncertainty, we are required to draw attention to the related disclosures in the consolidated financial statements in the audit report or, if such disclosures are deemed inadequate, to modify our audit opinion accordingly. Our conclusion is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause First Hi-tec Enterprise Co., Ltd. and its subsidiaries to cease its ability to continue as a going concern.
5. We evaluate the overall presentation, structure, and content of the consolidated financial statements (including related notes) and whether the financial statements provide a fair presentation of the relevant transactions and events.

6. Sufficient and appropriate audit evidence has been obtained regarding the financial information of the components within the group to express an opinion on the consolidated financial statements.

Matters communicated with the governance body include the planned scope and timing of the audit and significant audit findings (including significant deficiencies in internal controls) identified during the audit process.

We, the auditors, also inform the governance body that personnel of our firm subject to independence requirements have adhered to statements regarding independence in accordance with professional ethics standards for accountants. We communicate to the governance body all relationships and other matters (including related safeguards) that might reasonably be thought to affect the independence of the auditors.

From the matters communicated with the governance body, we determine the key audit matters for the audit of the financial statements of First Hi-tec Enterprise Co., Ltd. and its subsidiaries for the 2024. We disclose these matters in the consolidated audit report unless prohibited by law from publicly disclosing specific matters, or in extremely rare circumstances, we decide not to communicate specific matters in the audit report because the negative impact expected from such communication would outweigh the public interest.

The engagement partners on the audits resulting in this independent auditor' report are Wen-Yea Shyu and Pan-Fa Wang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 12, 2025

First Hi-tec Enterprise Co., Ltd. And Subsidiaries
Consolidated Balance Sheets
December 31, 2024

Unit: Thousand New Taiwan Dollars

Code	Asset	Dec.31 st , Year 2024		Dec.31 st , Year 2023	
		Amount	%	Amount	%
Current Assets					
1100	Cash and Cash Equivalents (Notes 4 and 6)	\$ 395,861	8	\$ 532,323	12
1136	Financial Assets Measured at Amortized Cost - Current (Notes 4 and 10)	9,818	-	-	-
1150	Notes Receivable (Notes 4, 5, and 8)	7,861	-	3,832	-
1170	Accounts Receivable, Net (Notes 4, 5, and 8)	1,560,487	31	1,319,702	31
1180	Accounts Receivable - Related Parties, Net (Notes 4, 5, 8, and 28)	9,423	-	27,267	1
1200	Other Receivables (Notes 4 and 8)	13,461	-	13,628	-
130X	Inventories (Notes 4, 5, and 9)	1,169,254	23	912,301	21
1476	Other Financial Assets - Current (Notes 7 and 26)	19,000	1	19,000	1
1479	Other Current Assets (Note 14)	<u>24,113</u>	<u>1</u>	<u>16,337</u>	<u>-</u>
11XX	Total Current Assets	<u>3,209,278</u>	<u>64</u>	<u>2,844,390</u>	<u>66</u>
Non-current Assets					
1535	Financial Assets Measured at Amortized Cost - Non-current (Notes 4, 10)	9,906	-	18,464	1
1600	Property, Plant, and Equipment (Notes 4, 12, 26, and 27)	1,608,661	32	1,266,820	29
1755	Right-of-use Assets (Notes 4 and 13)	165,048	3	146,050	3
1840	Deferred Tax Assets (Notes 4 and 21)	46,773	1	35,731	1
1920	Deposits Made (Note 14)	<u>4,098</u>	<u>-</u>	<u>2,898</u>	<u>-</u>
15XX	Total Non-current Assets	<u>1,834,486</u>	<u>36</u>	<u>1,469,963</u>	<u>34</u>
1XXX	Total Assets	<u>\$ 5,043,764</u>	<u>100</u>	<u>\$ 4,314,353</u>	<u>100</u>
Liabilities and Equity					
Current Liabilities					
2100	Short-term Borrowings (Note 15)	\$ 590,000	12	\$ 275,000	6
2110	Short-term Notes Payable (Note 15)	-	-	59,957	1
2170	Accounts Payable (Note 16)	1,195,768	24	847,034	20
2219	Other Payables (Note 17)	358,523	7	296,911	7
2230	Current Income Tax Liabilities (Notes 4 and 21)	27,395	1	78,116	2
2280	Lease Liabilities - Current (Notes 4 and 13)	17,053	-	10,120	-
2320	Current Portion of Long-term Liabilities Due Within One Year or One Operating Cycle (Notes 15 and 26)	38,669	1	7,271	-
2399	Other Current Liabilities (Note 17)	<u>20,737</u>	<u>-</u>	<u>19,550</u>	<u>1</u>
21XX	Total Current Liabilities	<u>2,248,145</u>	<u>45</u>	<u>1,593,959</u>	<u>37</u>
Non-current Liabilities					
2540	Long-term Borrowings (Notes 15 and 26)	142,317	3	12,477	-
2580	Lease Liabilities - Non-current (Notes 4 and 13)	157,494	3	143,368	3
2640	Net Defined Benefit Liabilities (Notes 4 and 18)	52,799	1	57,689	2
2645	Deposits Received	<u>1,550</u>	<u>-</u>	<u>1,400</u>	<u>-</u>
25XX	Total Non-current Liabilities	<u>354,160</u>	<u>7</u>	<u>214,934</u>	<u>5</u>
2XXX	Total Liabilities	<u>2,602,305</u>	<u>52</u>	<u>1,808,893</u>	<u>42</u>
Equity Attributable to Owners of the Parent (Note 19)					
3110	Share Capital	<u>929,757</u>	<u>18</u>	<u>929,757</u>	<u>22</u>
3200	Capital Surplus	<u>494,907</u>	<u>10</u>	<u>494,907</u>	<u>11</u>
Retained Earnings					
3310	Legal Reserve	469,978	9	425,092	10
3350	Undistributed Earnings	<u>546,864</u>	<u>11</u>	<u>655,704</u>	<u>15</u>
3300	Total Retained Earnings	<u>1,016,842</u>	<u>20</u>	<u>1,080,796</u>	<u>25</u>
Other Equity Interests					
3410	Exchange Differences on Translation of Foreign Operations	(47)	-	-	-
31XX	Total Equity Attributable to Owners of the Parent	<u>2,441,459</u>	<u>48</u>	<u>2,505,460</u>	<u>58</u>
3XXX	Total Equity	<u>2,441,459</u>	<u>48</u>	<u>2,505,460</u>	<u>58</u>
Total Liabilities and Equity		<u>\$ 5,043,764</u>	<u>100</u>	<u>\$ 4,314,353</u>	<u>100</u>

The accompanying notes are an integral part of these financial statements.

First Hi-tec Enterprise Co., Ltd. And Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2024 and 2023

Unit: Thousand New Taiwan Dollars, except for Earnings Per Share (EPS) in NTD

Code		2024		2023	
		Amount	%	Amount	%
4100	Revenue from Sales (Notes 4 and 28)	\$ 4,177,705	100	\$ 4,350,482	100
5110	Cost of Goods Sold (Notes 9 and 20)	(3,535,551)	(84)	(3,518,076)	(81)
5900	Gross Profit	642,154	16	832,406	19
6000	Operating Expenses (Note 20)	(236,937)	(6)	(238,070)	(5)
6900	Operating Profit	405,217	10	594,336	14
	Non-operating Income and Expenses (Notes 20 and 28)				
7100	Interest Income	11,630	-	9,799	-
7020	Other Gains and Losses	(2,014)	-	(9,807)	-
7050	Finance Costs	(11,048)	-	(7,667)	-
7000	Total Non-operating Income and Expenses	(1,432)	-	(7,675)	-
7900	Profit Before Income Tax from Continuing Operations	403,785	10	586,661	14
7950	Income Tax Expense (Notes 4 and 21)	(77,016)	(2)	(115,406)	(3)
8200	Net Profit for the Period	326,769	8	471,255	11
	Other Comprehensive Income (Notes 18 and 21)				
8310	Items not reclassified to profit or loss				
8311	Re-measurement of defined benefit plans	(11,903)	-	(27,994)	(1)
8349	Income tax related to items not reclassified	2,381	-	5,599	-

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Code		2024		2023	
		Amount	%	Amount	%
	Items that may be reclassified subsequently to profit or loss				
8361	Exchange Differences on Translation of Foreign Operations	(\$ 47)	-	\$ -	-
8300	Other comprehensive income for the year	(9,569)	(-)	(22,395)	(1)
8500	Total Comprehensive Income for the Period	<u>\$ 317,200</u>	<u>8</u>	<u>\$ 448,860</u>	<u>10</u>
	Profit Attributable to :				
8610	Equity Holders of the Parent Company	<u>\$ 326,769</u>	<u>8</u>	<u>\$ 471,255</u>	<u>11</u>
8710	Total Comprehensive Income Attributable to Owners of the Parent	<u>\$ 317,200</u>	<u>8</u>	<u>\$ 448,860</u>	<u>10</u>
	Earnings Per Share (Note 22) From Continuing Operations				
9710	Basic	<u>\$ 3.51</u>		<u>\$ 5.07</u>	
9810	Diluted	<u>\$ 3.50</u>		<u>\$ 5.04</u>	

The accompanying notes are an integral part of these financial statements.

First Hi-tec Enterprise Co., Ltd. And Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2024 and 2023

Code		Retained Earnings				Unit: Thousand New Taiwan Dollars	Total Equity
		Share Capital	Capital Surplus	Legal Reserve	Undistributed Earnings	Other Components of Equity Translation of Foreign Operations	
A1	Balance at January 1, Year 2023	\$ 929,757	\$ 494,907	388,471	550,285	\$ -	2,363,420
	Profit Distribution for Year 2022						
B1	Legal Reserve	-	-	36,621	(36,621)	-	-
B5	Cash Dividends	-	-	-	(306,820)	-	(306,820)
D1	Net Profit for Year 2023	-	-	-	471,255	-	471,255
D3	Other Comprehensive Income after Tax for Year 2023	-	-	-	(22,395)	-	(22,395)
Z1	Balance at December 31, Year 2023	929,757	494,907	<u>\$ 425,092</u>	<u>\$ 655,704</u>	-	<u>\$ 2,505,460</u>
	Profit Distribution for Year 2023						
B1	Legal Reserve	-	-	44,886	(44,886)	-	-
B5	Cash Dividends	-	-	-	(381,201)	-	(381,201)
D1	Net Profit for Year 2024	-	-	-	326,769	-	326,769
D3	Other Comprehensive Income after Tax for Year 2024	-	-	-	(9,522)	(47)	(9,569)
Z1	Balance at December 31, Year 2024	<u>\$ 929,757</u>	<u>\$ 494,907</u>	<u>\$ 469,978</u>	<u>\$ 546,864</u>	(\$ 47)	<u>\$ 2,441,459</u>

The accompanying notes are an integral part of these financial statements.

First Hi-tec Enterprise Co., Ltd. And Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

Unit: Thousand New Taiwan Dollars

Code		2024	2023
	Cash Flows from Operating Activities		
A10000	Net Profit Before Tax for the Period	\$ 403,785	\$ 586,661
A20010	Items Not Involving Cash Inflows or Outflows		
A20100	Depreciation Expense	195,766	173,952
A20900	Finance Costs	11,048	7,667
A21200	Interest Income	(11,630)	(9,799)
A22500	Loss on Disposal and Scrapping of Property, Plant, and Equipment	1,583	635
A24100	Unrealized Foreign Exchange Gains	(818)	(237)
A30000	Net Changes in Operating Assets and Liabilities		
A31130	Accounts Receivable	(4,029)	7,406
A31150	Trade Receivables	(240,785)	(253,090)
A31160	Accounts Receivable from Related Parties	17,844	(16,903)
A31180	Other Receivables	170	503
A31200	Inventory	(256,953)	(95,819)
A31240	Other Current Assets	(7,776)	2,830
A32150	Accounts Payable	348,734	38,624
A32180	Other Payables	(16,815)	45,008
A32230	Other Current Liabilities	1,187	18,928
A32240	Net Defined Benefit Liability - Non-current	(<u>16,793</u>)	(<u>4,732</u>)
A33000	Net Cash Inflows from Operating Activities	424,518	501,634
A33100	Interest Received	11,618	9,766
A33300	Interest Paid	(10,362)	(7,715)
A33500	Income Taxes Paid	(<u>136,398</u>)	(<u>72,316</u>)
AAAA	Net Cash Inflows from Operating Activities	<u>289,376</u>	<u>431,369</u>
	Cash Flows from Investing Activities		
B00040	Acquisition of Financial Assets at Amortized Cost	-	(9,065)
B02700	Purchase of Property, Plant, and Equipment	(445,589)	(182,994)
B02800	Proceeds from Disposal of Property, Plant, and Equipment	867	931
B03700	Increase in Deposits for Guarantees	(1,200)	(457)
B06600	Increase in Other Financial Assets	<u>-</u>	(<u>6,766</u>)
BBBB	Net Cash Outflows from Investing Activities	(<u>445,922</u>)	(<u>198,351</u>)

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Code		2024	2023
	Cash Flows from Financing Activities		
C00100	Increase in short-term borrowings	\$ 3,495,000	\$ 2,830,000
C00200	Decrease in short-term borrowings	(3,180,000)	(2,725,000)
C00500	Increase in notes payable	150,000	180,000
C00600	Decrease in notes payable	(210,000)	(120,000)
C01600	Borrowings of Long-term Loans	200,000	-
C01700	Repayment of long-term borrowings	(38,762)	(7,117)
C03000	Increase in deposits for guarantees	150	140
C04020	Principal payments on lease liabilities	(15,056)	(7,551)
C04500	Cash dividends paid	(<u>381,201</u>)	(<u>306,820</u>)
CCCC	Net cash outflow from financing activities	<u>20,131</u>	(<u>156,348</u>)
DDDD	Effect of Exchange Rate Changes on Cash and Cash Equivalents	(<u>47</u>)	<u>-</u>
EEEE	Net increase in cash and cash equivalents for the period	(136,462)	76,670
E00100	Cash and cash equivalents at the beginning of the year	<u>532,323</u>	<u>455,653</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 395,861</u>	<u>\$ 532,323</u>

The accompanying notes are an integral part of these financial statements.

First Hi-tec Enterprise Co., Ltd. And Subsidiaries
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023
(Unless otherwise stated, units are in thousands of New Taiwan Dollars)

1. Company History

The company was established on January 29, 1977, primarily engaged in the production and sale of printed circuit boards, computer peripherals, and related equipment. In May 1989, the Ministry of Finance and the Securities and Futures Bureau approved the company's listing on the stock exchange, and in June of the same year, its shares were officially listed for public trading.

This consolidated financial report is presented in New Taiwan Dollars, the functional currency of the company.

2. Approval Date and Procedures for Financial Reporting

This consolidated financial report was approved by the board of directors on March 12, 2025.

3. Application of new and revised standards and interpretations

- (1) Initial application of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC), and Interpretation Statements (SIC) approved and issued by the Financial Supervisory Commission (hereinafter referred to as "FSC").

The application of IFRS approved and issued by the FSC will not result in significant changes to the accounting policies of First Hi-tec Enterprise Co., Ltd and its subsidiaries.

- (2) The IFRS accounting standards approved by the FSC applicable for the year 2024.

Newly Issued/Amended/Revised Standards and Interpretations	Effective Dates of IASB Issuances (Note 1)
Amendments to IAS 21 – Lack of Exchangeability	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments: Amendments to Application Guidance on the Classification of Financial Assets	January 1, 2026 (Note 2)

Note 1: This amendment is effective for annual reporting periods beginning on or after January 1, 2025. Upon initial application, entities shall not restate comparative periods. Instead, the cumulative effect of applying the amendment shall be recognized on the date of initial application in retained earnings or, if appropriate, in the exchange differences on translation of foreign operations within equity, and in the affected assets and liabilities.

Note2: This amendment is effective for annual reporting periods beginning on or after January 1, 2026.

Early application is permitted from January 1, 2025.

Upon initial application, the amendment shall be applied retrospectively without the need to restate comparative periods.

The cumulative effect of the initial application shall be recognized on the date of initial application.

However, if an entity is able to restate comparative periods without the use of hindsight, it may elect to do so.

As of the date the consolidated financial statements, the consolidated has assessed that the amendments to other standards and interpretations will not have a significant impact on its financial position and performance.

(3) IASB has issued but has not yet been endorsed and enacted by the FSC (Financial Supervisory Commission) IFRS accounting standards.

Newly Issued / Amended / Revised Standards and Interpretations:	Effective Date as Issued by IASB (Note 1):
Annual Improvements to IFRSs – 2023 (Cycle 11)	January 1, 2026
Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to IFRS 9 and IFRS 7 – Contracts for Renewable Electricity or Nature-dependent Power	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	Undetermined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "First-time Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 – Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	January 1, 2027

Unless otherwise stated, the above newly issued/ amended/ revised standards or interpretations shall be effective for annual reporting periods beginning on or after the respective dates mentioned.

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 *Presentation of Financial Statements*.

The major changes introduced by this new standard include the following:

④Categorization of income and expenses in the statement of profit or loss Income and expenses must be classified into the following

categories: operating, investing, financing, income taxes, and discontinued operations.

② Subtotals and totals required in the statement of profit or loss

The statement of profit or loss must present the following subtotals and totals: Operating profit or loss, Profit or loss before financing and income taxes, and Profit or loss

③ Enhanced guidance on aggregation and disaggregation IFRS 18 provides guidance to strengthen the principles of aggregation and disaggregation.

A consolidated entity must identify assets, liabilities, equity, income, expenses, and cash flows that arise from individual transactions or other events, and must classify and aggregate them based on shared characteristics. Each line item in the primary financial statements must contain at least one shared characteristic.

Items that do not share similar characteristics must be disaggregated in the primary financial statements or disclosed separately in the notes.

The label "Other" may only be used if no more informative label can be found.

④ • When the Group engages in public communications outside of the financial statements, or communicates with users of the financial statements regarding management's view of a particular aspect of the Group's overall financial performance, it shall disclose, in a single note to the financial statements, information related to the management-defined performance measures.

Such disclosures shall include a description of the performance measure, how it is calculated, a reconciliation to the most directly comparable subtotal or total specified in IFRS, and the effects of income tax and non-controlling interests on the reconciling items.

Except for the aforementioned impacts, as of the date the consolidated financial statements were authorized for issue, the Group is still assessing the impact of amendments to various standards and interpretations on its financial position and financial performance. The related effects will be disclosed once the assessment is completed.

4. Summary Explanation of Significant Accounting Policies

(1) Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS) as endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

(2) Preparation Basis

Except for financial instruments measured at fair value and the net defined benefit liabilities recognized at the present value of the defined benefit obligation less the fair value of plan assets, this consolidated financial report is prepared on a historical cost basis."

Fair value measurement is classified into Level 1 to Level 3 based on the observability and significance of the relevant input values

A. Level 1 Inputs: These are the quoted prices (unadjusted) for identical assets or liabilities in active markets that are accessible at the measurement date.

B. Level 2 Inputs: These are inputs that are observable either directly (i.e., prices) or indirectly (i.e., derived from prices) for assets or liabilities, other than those included in Level 1.

C. Level 3 Inputs: These are unobservable inputs for assets or liabilities.

(3) The criteria for distinguishing between current and non-current assets and liabilities

Current assets include :

A. Assets held primarily for trading purposes;

B. Assets expected to be realized within 12 months after the balance sheet date; and

C. Cash and cash equivalents (excluding those restricted for use beyond 12 months after the balance sheet date for the purpose of settling or exchanging liabilities).

Current liabilities include:

- A. Liabilities held primarily for trading purposes;
 - B. Liabilities that are due for settlement within 12 months after the balance sheet date (even if long-term refinancing or payment rescheduling agreements are completed after the balance sheet date but before the issuance of the financial report, they are still considered current liabilities); and
 - C. Liabilities that do not have substantial rights to extend the repayment term beyond 12 months after the balance sheet date.
- Assets or liabilities that do not meet the above criteria for current assets or current liabilities are classified as non-current assets or non-current liabilities."

(4) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Consolidated company and the entities controlled by the Company (subsidiaries).

The consolidated statement of comprehensive income includes the results of subsidiaries acquired or disposed of during the period from the date of acquisition to the date of disposal.

The financial statements of subsidiaries have been adjusted to conform to the accounting policies of the Consolidated company.

All intercompany transactions, balances, income, and expenses have been eliminated in full upon consolidation.

The total comprehensive income of subsidiaries is attributed to the owners of the parent and non-controlling interests, even if this results in a deficit balance for the non-controlling interests.

Changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

The carrying amounts of the consolidated company and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary.

Any difference between the amount by which the non-controlling interests are

adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the parent.

For details of subsidiaries, ownership interests, and principal business activities, please refer to Note 11 and Schedule 2.

(5) Foreign Currency

When preparing financial statements, transactions denominated in currencies other than the functional currency (foreign currencies) are recorded in the functional currency at the exchange rates prevailing on the transaction dates. Monetary items denominated in foreign currencies are translated at closing exchange rates on each balance sheet date. Exchange differences arising from settlement of monetary items or from translating monetary items at exchange rates different from those at which they were initially recorded are recognized in profit or loss.

Non-monetary items denominated in foreign currencies and measured at fair value are translated at the exchange rates at the date when the fair value was determined. Exchange differences arising from such translations are recognized in profit or loss, except for those relating to fair value adjustments recognized in other comprehensive income, for which the exchange differences are recognized in other comprehensive income.

Non-monetary items denominated in foreign currencies and measured at historical cost are translated at the exchange rates prevailing on the transaction dates and are not retranslated.

In preparing consolidated financial statements, the assets and liabilities of foreign operations (including subsidiaries and associates whose functional currency differs from that of the Consolidated company) are translated into New Taiwan dollars at the exchange rates prevailing at each balance sheet date.

Income and expense items are translated at the average exchange rates for the period.

The resulting exchange differences are recognized in other comprehensive income and are attributed to the owners of the parent and non-controlling interests, respectively.

When the Consolidated company disposes of its entire interest in a foreign operation, or disposes of a portion of its interest in a subsidiary that results in a loss of control, or when the retained interest in an associate or joint arrangement becomes a financial asset accounted for in accordance with the Consolidated financial instruments accounting policy, the cumulative exchange differences attributable to the owners of the parent that relate to that foreign operation are reclassified to profit or loss.

If the Consolidated company disposes of part of its interest in a foreign operation that does not result in a loss of control, the proportionate share of the cumulative exchange differences is reattributed to non-controlling

interests in that foreign operation and is **not** recognized in profit or loss.

In all other partial disposals of a foreign operation, the proportionate share of the cumulative exchange differences is reclassified to profit or loss.

(6) Inventory

Inventory comprises raw materials, supplies, finished goods, and work in progress. Inventory is measured at the lower of cost and net realizable value, with cost being determined on an item-by-item basis for items other than those in the same category. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventory is calculated using the weighted average method.

(7) Property, Plant, and Equipment

Property, plant, and equipment are recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Construction in progress is recognized at cost less accumulated impairment losses. Costs include professional fees and borrowing costs that qualify for capitalization. These assets are classified and depreciation begins when they are completed and ready for their intended use.

Except for land, which is not depreciated, other property, plant, and equipment are depreciated on a straight-line basis over their estimated useful lives, with each significant component being depreciated separately. The estimated useful lives, residual values, and depreciation methods are reviewed at least annually, and changes in accounting estimates are accounted for prospectively.

When property, plant, and equipment are derecognized, any difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(8) Property, Plant, and Equipment and Right-of-Use Assets Impairment

the Consolidated company assesses at each balance sheet date whether there are any indicators of impairment for property, plant, and equipment and right-of-use assets. If any impairment indicators exist, the recoverable amount of the asset is estimated. If it is not possible to estimate the recoverable amount of individual assets, the Consolidated company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Shared assets are allocated to individual cash-generating units on a reasonable and consistent basis.

For intangible assets with indefinite useful lives and intangible assets not yet available for use, impairment testing is performed at least annually or when indicators of impairment arise.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an individual asset or cash-generating unit is lower than its carrying amount, the carrying amount of the asset or

cash-generating unit is reduced to its recoverable amount, and an impairment loss is recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset, cash-generating unit, or related contract cost is increased to the revised recoverable amount, not exceeding the carrying amount that would have been determined had no impairment loss been recognized in prior years (net of depreciation or amortization). The reversal of impairment loss is recognized in profit or loss.

(9) Financial Instruments

Financial assets and financial liabilities are recognized on the balance sheet when the consolidated company becomes a party to the contractual provisions of the instrument.

Upon initial recognition of financial assets and financial liabilities, if the financial asset or financial liability is not measured at fair value through profit or loss, it is measured at fair value plus any directly attributable transaction costs of acquiring or issuing the financial asset or financial liability. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities measured at fair value through profit or loss are recognized immediately in profit or loss.

A. Financial Assets: Financial assets are recognized and derecognized using the trade date accounting convention.

(A). Measurement Categories

All financial assets held by the consolidated company are measured at amortized cost.

Financial Assets Measured at Amortized Cost

Financial assets held by the consolidated company are classified as measured at amortized cost if they meet both of the following criteria:

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

Financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable and payable measured at amortized cost, other financial assets - current, financial assets measured at amortized cost - non-current, and deposits as collateral) are initially recognized at their total carrying amount determined under the effective interest method, less any impairment losses, after which they are measured at amortized cost. Any foreign exchange gains or losses are recognized in profit or loss.

Interest income is calculated by multiplying the effective interest rate by the total carrying amount of financial assets, except in the following two circumstances:

(a). For purchased or originated credit-impaired financial assets, interest income is calculated using the effective interest rate adjusted for credit, multiplied by the amortized cost of the financial asset.

(b). For financial assets that are not purchased or originated credit-impaired but subsequently become credit-impaired, interest income should be calculated using the effective interest rate multiplied by the amortized cost of the financial asset from the next reporting period following the credit impairment.

Credit-impaired financial assets refer to cases where the issuer or debtor has experienced significant financial difficulties, default, is highly likely to file for bankruptcy or other financial reorganization, or where the active market for the financial asset has disappeared due to financial difficulties.

Cash equivalents include highly liquid deposits with maturities of three months or less from the acquisition date, readily convertible to known amounts of cash and subject to insignificant risk of changes in value, used to meet short-term cash commitments.

(B) Impairment of Financial Assets

The consolidated company recognizes impairment losses on financial assets measured at amortized cost, including accounts receivable, at each balance sheet date based on expected credit losses.

Accounts receivable are recognized for expected credit losses over the period of their existence. For other financial assets, the Company first assesses whether there has been a significant increase in credit risk since initial recognition. If there has not been a significant increase, an allowance for expected credit losses is recognized based on 12-month expected credit losses. If there has been a significant increase, the allowance is based on expected credit losses over the expected period of existence.

Expected credit losses are calculated as the weighted average of credit losses considering the risk of default. The 12-month expected credit losses represent the expected credit losses from default events that could occur within 12 months after the reporting date, while the expected credit losses over the expected period of existence represent the expected credit losses from default events that could occur over the entire expected period of existence.

Impairment losses on all financial assets are deducted from their carrying amount through an allowance account.

(C) Disposal of Financial Assets

The consolidated company only derecognizes a financial asset when the contractual rights to cash flows from the financial asset expire, or

when it has transferred the financial asset and has transferred substantially all risks and rewards of ownership to another entity.

When a financial asset is derecognized in its entirety, any difference between the carrying amount of the financial asset and the consideration received is recognized in profit or loss.

B. Equity Instruments

The 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 issued by the Company are recognized at the amount of proceeds received after deducting any directly attributable transaction costs.

Treasury shares of the Company are recognized in equity and deducted. Transactions involving the purchase, sale, issuance, or cancellation of treasury shares of the Company are not recognized in profit or loss.

C. Financial Liabilities

(a) Subsequent Measurement

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

(b) Derecognition of Financial Liabilities

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

(10) Revenue Recognition

Once performance obligations under customer contracts are identified, the transaction price is allocated to each performance obligation, and revenue is recognized when each performance obligation is satisfied.

Revenue from Sale of Goods

Revenue from the sale of goods is derived from the sale of printed circuit boards. Since control of the goods has been transferred to the customer at the point of delivery to the customer's designated location, where the customer has a fixed price and the primary responsibility for resale and assumes the risk of obsolescence, revenue and accounts receivable are recognized at that point.

(11) Leases

On the inception date of a contract, the consolidated company assesses whether the contract is, or contains, a lease.

As a Leases

Except for leases of low-value assets and short-term leases, for which exemptions to recognition apply, lease payments are recognized as an expense on a straight-line basis over the lease term. For all other leases, the right-of-use asset and lease liability are recognized on the lease commencement date.

The right-of-use asset is initially measured at cost (comprising the initial measurement of the lease liability, lease payments made before the commencement date less any lease incentives received, initial direct costs, and the estimate of costs to dismantle and remove the underlying asset). It is subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for remeasurement of the lease liability. The right-of-use asset is presented separately in the statement of financial position.

Depreciation of the right-of-use asset is recognized on a straight-line basis from the lease commencement date to the earlier of the end of the useful life or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments (including fixed payments and variable lease payments that depend on an index or rate), discounted using the rate implicit in the lease if readily determinable; otherwise, the lessee's incremental borrowing rate is used.

Subsequently, the lease liability is measured at amortized cost using the effective interest method, and interest expense is recognized over the lease term. If there are changes in the lease term or the index or rate used to determine lease payments that result in changes to future lease payments, the lease liability is remeasured, and the right-of-use asset is adjusted accordingly. However, if the carrying amount of the right-of-use asset has been reduced to zero, the remaining remeasurement amount is recognized in profit or loss. The lease liability is presented separately in the statement of financial position.

(12) Borrowing Costs

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

Specific borrowings made to finance qualifying expenditure before the commencement of capitalization activities are deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(13) Government Grants

Government grants are recognized only when there is reasonable assurance that the consolidated company will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Government grants that are conditional on the purchase, construction, or other acquisition of non-current assets are recognized as deferred income and are systematically transferred to profit or loss over the useful lives of the related assets on a reasonable and systematic basis.

(14) Employee Benefits

a. Short-Term Employee Benefits

The liability for short-term employee benefits is measured at the undiscounted amount expected to be paid in exchange for employee services.

b. Post-Employment Benefits

Defined contribution retirement benefits are recognized as an expense over the period during which employees provide service. Defined benefit retirement plan costs (including service costs, net interest, and remeasurements) are determined using the projected unit credit method. Service costs, including current service costs and net defined benefit liability (assets), are recognized as employee benefit expenses when incurred, or when there is a plan amendment or curtailment. Remeasurements (including actuarial gains and losses, changes in the asset ceiling, and the return on plan assets, net of interest) are recognized in other comprehensive income when incurred and transferred to retained earnings, and subsequently not reclassified to profit or loss.

The net defined benefit liability (asset) is the shortfall (surplus) of the defined benefit retirement plan. The net defined benefit asset may not exceed the present value of future contributions to be refunded from the plan or the present value of reduced future contributions.

(15) Income Taxes

Income tax expense comprises the total of current tax and deferred tax.

a. Current Tax

The consolidated company determines current income tax (expense) or recoverable income tax based on taxable income (or loss) calculated in accordance with the laws and regulations of the respective tax jurisdictions.

Unappropriated earnings are subject to additional income tax calculated in accordance with the Income Tax Act of the Republic of China and recognized annually based on resolutions of the shareholders' meeting. Adjustments to the provision for income taxes for prior years are included in current tax.

b. Deferred Tax

Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities and their tax bases used for computing taxable income.

Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences, losses, or tax credits can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences associated with investments in subsidiaries and associates,

except to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred income tax assets related to deductible temporary differences arising from such investments are recognized only to the extent that it is probable that sufficient taxable profit will be available to utilize the deductible temporary differences, and that the deductible temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered. Deferred tax assets not previously recognized are reviewed at each balance sheet date and recognized to the extent that it is probable that future taxable profit will be available for recovery of the asset.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) enacted or substantively enacted at the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

c. Current and Deferred Tax

Current and deferred tax are recognized in profit or loss, except for items related to other comprehensive income or directly recognized in equity, where current and deferred tax are recognized in other comprehensive income or directly in equity, respectively.

5. Major sources of uncertainty in major accounting judgments, estimates and assumptions

When applying accounting policies, the Consolidated company, management must make judgments, estimates, and assumptions for which relevant information is not readily available from other sources. Actual results may differ from estimates.

Management continually reviews estimates and underlying assumptions. If a revision to an estimate affects only the current period, it is recognized in that period. If a revision affects both the current and future periods, it is recognized in the current and future periods.

Primary Sources of Uncertainty in Estimates and Assumptions

(1) Estimation of Impairment of Financial Assets

The estimation of impairment of accounts receivable is based on assumptions regarding default rates and expected loss rates. The Consolidated company considers historical experience, current market conditions, and forward-looking information to make these assumptions and selects the inputs for impairment assessment. Significant impairment losses may arise if future cash flows are lower than expected.

As of December 31, Year 2024 and December 31, Year 2023, the gross amounts of accounts receivable (including related parties), notes, and receivables were NT\$1,577,771 thousand and NT\$1,350,801 thousand (net of allowance for doubtful accounts of NT\$14,553 thousand and NT\$14,558 thousand, respectively).

(2) Inventory Valuation

Because inventory is measured at the lower of cost and net realizable value, the Consolidated company must exercise judgment and make estimates to determine the net realizable value of inventory at the end of the financial reporting period.

Due to rapid technological changes, the Consolidated company assesses the amount of inventory that may be obsolete or have no market sales value at the end of the financial reporting period and writes down inventory cost to its net realizable value. This inventory valuation is primarily based on estimates of product demand within a specific future period, which may result in significant changes.

As of December 31, Year 2024 and December 31, Year 2023, the carrying amounts of the company's inventory were NT\$1,169,254 thousand and NT\$912,301 thousand (net of provision for inventory write-down of NT\$69,848 thousand and NT\$54,584 thousand, respectively).

6. Cash and Cash Equivalents

	<u>Dec.31st, 2024</u>	<u>Dec.31st, 2023</u>
Cash on hand	\$ 301	\$ 303
Bank checks and current deposits	98,983	179,851
Cash equivalents - fixed deposits	246,606	167,824
Cash equivalents - repurchase agreements	<u>49,971</u>	<u>184,345</u>
	<u>\$395,861</u>	<u>\$532,323</u>

The market interest rate ranges for the Group's cash equivalents as of the balance sheet date are as follows:

	<u>Dec.31st, 2024</u>	<u>Dec.31st, 2023</u>
Fixed deposits	3.29%-4.50%	4.14%-5.10%
Repurchase agreements	1.10%	5.45%-5.50%

7. Other Financial Assets

	<u>Dec.31st, 2024</u>	<u>Dec.31st, 2023</u>
Restricted term deposits	<u>\$ 19,000</u>	<u>\$ 19,000</u>
Current	\$ 19,000	\$ 19,000
Non-current	<u>-</u>	<u>-</u>
	<u>\$ 19,000</u>	<u>\$ 19,000</u>

(1) The market interest rate ranges for restricted term deposits as of the balance sheet date are as follows:

	<u>Dec.31st, 2024</u>	<u>Dec.31st, 2023</u>
Restricted Term Deposits	1.26%	1.13%

(2) For information on financial assets pledged, refer to Note 26.

8. Notes Receivable, Accounts Receivable, and Other Receivables

	<u>Dec.31st, 2024</u>	<u>Dec.31st, 2023</u>
Notes Receivable		
Arising from operations	<u>\$ 7,861</u>	<u>\$ 3,832</u>
Accounts Receivable		
Measured at amortized cost		
Accounts Receivable	\$ 1,563,618	\$ 1,322,838
Accounts Receivable - Related Parties	9,423	27,267
Less: Allowance for doubtful accounts	<u>(3,131)</u>	<u>(3,136)</u>
	<u>\$ 1,569,910</u>	<u>\$ 1,346,969</u>
Other Receivables		
Measured at amortized cost		
Total carrying amount	<u>\$ 13,461</u>	<u>\$ 13,628</u>

The Consolidated company average credit period for sales of goods is 120 days. When determining the recoverability of accounts receivable, the Consolidated company considers any changes in the credit quality of accounts receivable from the original credit date to the balance sheet date. the Consolidated company policy is to transact only with entities with a good credit rating. Credit rating information is provided by independent rating agencies; if such information is not available, the company will use other publicly available financial information and historical transaction records to rate major customers. the Consolidated company continuously monitors credit risks and the credit ratings of counterparties, and diversifies the total transaction amount among different customers with qualified credit ratings. Additionally, annual reviews and approval of credit limits for counterparties are conducted to manage credit risks. Before accepting new customers, the Consolidated company evaluates the credit quality of potential customers based on external publicly available information and sets credit limits for those customers. Customer credit limits and ratings are reviewed annually, and accounts receivable that have not experienced actual impairment are classified as the best credit rating.

The Consolidated company recognizes allowances for doubtful accounts for accounts receivable based on expected credit losses over the expected duration of the relationship. Expected credit losses are calculated using a provisioning matrix, which considers the customer's past default history, current financial condition, industry economic conditions, as well as GDP forecasts and industry outlooks. As the Consolidated company historical experience with credit losses shows no significant differences among different customer groups, the provisioning matrix does not further distinguish customer groups but only sets expected credit loss rates based on the number of days past due for accounts receivable.

If there is evidence indicating that a counterparty is facing severe financial difficulties and the Consolidated company cannot reasonably expect to recover the amount, the company directly writes off the related accounts receivable. However, the Consolidated company continues its collection efforts, and any amounts recovered through collection activities are recognized in the income statement.

The Consolidated company measures the allowance for doubtful accounts (including related parties) based on a provisioning matrix as follows:

As of December 31, 2024

	Not Overdue	Overdue 1-90 days	Overdue 91-120 days	Overdue 121-180 days	Overdue >180 days	Total
Expected Credit Loss						
Rate	0.09%	4.14%	65.48%	-	-	

	Not Overdue	Overdue 1-90 days	Overdue 91-120 days	Overdue 121-180 days	Overdue >180 days	Total
Total Carrying Amount	\$1,537,526	\$ 35,179	\$ 336	\$ -	\$ -	\$1,573,041
Allowance for Doubtful Accounts (Expected Credit Loss over Expected Lifetime)	(<u>1,453</u>)	(<u>1,458</u>)	(<u>220</u>)	<u>-</u>	<u>-</u>	(<u>3,131</u>)
Amortized Cost	<u>\$1,536,073</u>	<u>\$ 33,721</u>	<u>\$ 116</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,569,910</u>

As of December 31, 2023

	Not Overdue	Overdue 1-90 days	Overdue 91-120 days	Overdue 121-180 days	Overdue >180 days	Total
Expected Credit Loss Rate	0.18%	2.27%	41.91%	46.15%	-	
Total Book Value	\$1,323,964	\$ 25,615	\$ 513	\$ 13	\$ -	\$1,350,105
Allowance for Doubtful Accounts (Expected Credit Loss over the remaining period)	(<u>2,333</u>)	(<u>582</u>)	(<u>215</u>)	(<u>6</u>)	<u>-</u>	(<u>3,136</u>)
Amortized Cost	<u>\$1,321,631</u>	<u>\$ 25,033</u>	<u>\$ 298</u>	<u>\$ 7</u>	<u>\$ -</u>	<u>\$1,346,969</u>

The changes in the allowance for doubtful accounts are as follows:

	2024		2023	
	Accounts receivable (including related parties)	Collections	Accounts receivable (including related parties)	Collections
Beginning balance	\$ 3,136	\$ 11,422	\$ 3,131	\$ 11,422
(Plus) (Minus):	-	-	5	-
Provision for doubtful accounts (reversals) for the period	(<u>5</u>)	<u>-</u>	<u>-</u>	<u>-</u>
Actual write-offs for the period	<u>\$ 3,131</u>	<u>\$ 11,422</u>	<u>\$ 3,136</u>	<u>\$ 11,422</u>

As of December 31, 2024, the allowance for doubtful accounts includes individual impaired receivables that have been liquidated or are in significant financial difficulty, both totaling NT\$11,422 thousand for the two years (refer to Note 14). The Consolidated company does not hold any collateral for these receivable balances.

9. Inventory

	Dec.31 st , 2024	Dec.31 st , 2023
Work in Process	\$ 540,709	\$ 302,082
Finished Goods	508,964	460,684
Raw Materials	87,251	76,044
Merchandise	<u>32,330</u>	<u>73,491</u>
	<u>\$ 1,169,254</u>	<u>\$ 912,301</u>

The cost of goods sold for the years 2024 and 2023 includes gains (losses) on the net realizable value of inventory of NT\$15,264 thousand and (NT\$2,607) thousand, respectively.

The reversal of the write-down of inventories was due to a decrease in the amount by which the net realizable value was lower than cost.

10. Non-current Financial Assets at Amortized Cost

	<u>Dec.31st, 2024</u>	<u>Dec.31st, 2023</u>
Foreign Investments		
	\$ 9,818	\$ 9,158
Standard Chartered Bank Financial Bonds	<u>9,906</u>	<u>9,306</u>
	<u>\$ 19,724</u>	<u>\$ 18,464</u>
Current	\$ 9,818	\$ -
Non- Current	<u>9,906</u>	<u>18,464</u>
	<u>\$ 19,724</u>	<u>\$ 18,464</u>

The Consolidated company purchased a 10-year financial bond from Standard Chartered Bank in May 2020, with a maturity date of February 19, 2027, a face value interest rate of 4.30%, and an effective interest rate of 3.79%. Additionally, in February 2023, the company acquired a 2-year and 4-month financial bond from Macquarie Bank, with a maturity date of June 10, 2025, a face value interest rate of 4.88%, and an effective interest rate of 5.29%.

11. Subsidiaries

(1) Subsidiaries Included in the Consolidated Financial Statements

The consolidated financial statements comprise the following entities:

Name of Investor	Name of Subsidiary	Nature of Business	Percentage of Ownership		Notes
			113年 Dec.31 st , 2024	Dec.31 st , 2023	
The Company	FIRST HI-TEC ENTERPRISE (THAILAND) CO., LTD.	Wholesale of Electronic Equipment and Components	100	-	(1)

Note:

(1) The Consolidated company newly invested in FIRST HI-TEC ENTERPRISE (THAILAND) CO., LTD. in December 2024. Please refer to Schedule 2.

(2) Subsidiaries Not Included in the Consolidated Financial Statements: None.

(3) Information on Subsidiaries with Material Non-controlling Interests: None.

12. Property, Plant, and Equipment

	<u>Dec.31st, 2024</u>	<u>Dec.31st, 2023</u>
Each Category's Carrying Amount		
Land	\$ 213,811	\$ 213,811
Buildings and Structures	300,370	303,085
Machinery and Equipment	698,770	567,229
Other Equipment	130,452	98,852
Equipment under Inspection	<u>265,258</u>	<u>83,843</u>
	<u>\$ 1,608,661</u>	<u>\$ 1,266,820</u>

	Land	Buildings	Machinery and Equipment	Other Equipment	Equipment under Test	Total
Cost						
January 1, 2024						
Balance	\$ 213,811	\$ 666,109	\$ 1,565,165	\$ 243,036	\$ 83,843	\$ 2,771,964
Additions	-	18,976	63,499	37,391	403,507	523,373
Disposals	-	(5,304)	(85,480)	(2,751)	-	(93,535)
Reclassifications	-	19,806	174,442	27,844	(222,092)	-
December 31, 2024						
Balance	<u>\$ 213,811</u>	<u>\$ 699,587</u>	<u>\$ 1,717,626</u>	<u>\$ 305,520</u>	<u>\$ 265,258</u>	<u>\$ 3,201,802</u>
Accumulated Depreciation and Impairment						
January 1, 2024						
Balance	\$ -	\$ 363,024	\$ 997,936	\$ 144,184	\$ -	\$ 1,505,144
Disposals	-	41,497	104,572	33,013	-	179,082
Depreciation Expense	-	(5,304)	(83,652)	(2,129)	-	(91,085)
December 31, 2024						
Balance	<u>\$ -</u>	<u>\$ 399,217</u>	<u>\$ 1,018,856</u>	<u>\$ 175,068</u>	<u>\$ -</u>	<u>\$ 1,593,141</u>
Net Amount as of						
December 31, 2024	<u>\$ 213,811</u>	<u>\$ 300,370</u>	<u>\$ 698,770</u>	<u>\$ 130,452</u>	<u>\$ 265,258</u>	<u>\$ 1,608,661</u>
Cost						
January 1, 2023						
Balance	\$ 213,811	\$ 646,198	\$ 1,532,193	\$ 206,843	\$ 38,113	\$ 2,637,158
Additions	-	13,334	26,390	36,477	124,541	200,742
Disposals	-	-	(59,020)	(6,916)	-	(65,936)
Reclassifications	-	6,577	65,602	6,632	(78,811)	-
December 31, 2023						
Balance	<u>\$ 213,811</u>	<u>\$ 666,109</u>	<u>\$ 1,565,165</u>	<u>\$ 243,036</u>	<u>\$ 83,843</u>	<u>\$ 2,771,964</u>
Accumulated Depreciation and Impairment						
January 1, 2023						
Balance	\$ -	\$ 318,753	\$ 959,315	\$ 126,518	\$ -	\$ 1,404,586
Disposals	-	44,271	96,424	24,233	-	164,928
Depreciation Expense	-	-	(57,803)	(6,567)	-	(64,370)
December 31, 2023						
Balance	<u>\$ -</u>	<u>\$ 363,024</u>	<u>\$ 997,936</u>	<u>\$ 144,184</u>	<u>\$ -</u>	<u>\$ 1,505,144</u>
Net Amount as of						
December 31, 2023	<u>\$ 213,811</u>	<u>\$ 303,085</u>	<u>\$ 567,229</u>	<u>\$ 98,852</u>	<u>\$ 83,843</u>	<u>\$ 1,266,820</u>

The Consolidated company property, plant, and equipment are depreciated on a straight-line basis over the following useful lives:

Building and construction	5 to 45 years
Machinery and equipment	3 to 10 years
Other equipment	2 to 10 years

Due to business expansion and capacity planning needs, the consolidated company, pursuant to a resolution by the Board of Directors in December 2024, authorized the

Chairman to negotiate the acquisition of real estate from non-related parties within a limit of NT\$560 million. As of the date of approval of these consolidated financial statements, no contract has been signed with the counterparty."

The significant components of the Consolidated company buildings mainly consist of factory buildings and mechanical and electrical engineering, depreciated over their useful lives of 45 years and 5 years, respectively. There were no instances of interest capitalization in 2024 and 2023 years. The amount of real estate, factories, and equipment pledged as collateral for loans is disclosed in Note 26.

13. Lease Agreement

(1) Right-of-Use Assets

	<u>Dec.31st, 2024</u>	<u>Dec.31st, 2023</u>
Carrying Amount of Right-of-Use Assets		
Buildings	<u>\$ 165,048</u>	<u>\$ 146,050</u>
	<u>Dec. 31st, Year 2024</u>	<u>Dec. 31st, Year 2023</u>
Additions to Right-of-Use Assets	<u>\$ 35,682</u>	<u>\$ 8,023</u>
Depreciation Expense of Right-of-Use Assets		
Buildings	<u>\$ 16,684</u>	<u>\$ 9,024</u>

Apart from the aforementioned additions and depreciation expense recognition, there were no significant subleasing or impairment events related to the Consolidated company right-of-use assets in the fiscal years 2024 and 2023.

(2) Lease Liabilities

	<u>Dec.31st, 2024</u>	<u>Dec.31st, 2023</u>
Carrying Amount of Lease Liabilities		
Current	<u>\$ 17,053</u>	<u>\$ 10,120</u>
Non-current	<u>\$ 157,494</u>	<u>\$ 143,368</u>

The discount rates for lease liabilities are as follows:

	<u>Dec.31st, 2024</u>	<u>Dec.31st, 2023</u>
Buildings	1.435%-2.185%	1.435%-2.185%

(3) Significant Leasing Activities and Terms

The Consolidated company leases buildings for use as factories, with original lease terms ranging from 3 to 16 years. At the end of the lease term, the Group's does not have any favorable purchase options for the leased buildings.

(4) Other Lease Information

	<u>Dec.31st, 2024</u>	<u>Dec.31st, 2023</u>
Short-term and Low-value Lease Assets	<u>\$ 844</u>	<u>\$ 1,397</u>
Total Cash Outflow from Leases	<u>(\$ 18,639)</u>	<u>(\$ 11,112)</u>

The Consolidated company has elected to apply the recognition exemption for certain office equipment leases that qualify as short-term leases. Accordingly, the Group does not recognize right-of-use assets and lease liabilities for such leases.

14. Other Assets

	<u>Dec.31st, 2024</u>	<u>Dec.31st, 2023</u>
Refundable Value Added Tax Receivables	\$ 13,771	\$ 8,404
Prepayments	10,342	7,933
Accounts Receivable from Sales	11,422	11,422
Less: Allowance for Doubtful Accounts (See Note 8)	(11,422)	(11,422)
Deposits Placed	<u>4,098</u>	<u>2,898</u>
Prepayments	<u>\$ 28,211</u>	<u>\$ 19,235</u>
Current	\$ 24,113	\$ 16,337
Non- Current	<u>4,098</u>	<u>2,898</u>
	<u>\$ 28,211</u>	<u>\$ 19,235</u>

15. Borrowings

(1) Short-term Borrowings

	<u>Dec.31st, 2024</u>	<u>Dec.31st, 2023</u>
Secured Loans	\$ 590,000	\$ 125,000
Real Estate Secured Loans		
Unsecured Loans	<u>-</u>	<u>150,000</u>
Credit Line Borrowings	<u>\$ 590,000</u>	<u>\$ 275,000</u>
Interest Rate Ranges		
Secured Loans	1.86%-1.88%	1.75%
Unsecured Loans	-	1.75%-1.78%

Secured loans are mortgage loans provided to meet operational funding needs. For collateral information, please refer to Note 26

(2) Accounts Payable - Short-term Notes

	<u>Dec.31st, 2024</u>	<u>Dec.31st, 2023</u>
Commercial Paper	\$ -	\$ 60,000
Minus:Discount on Accounts Payable		
- Short-term Notes	<u>-</u>	(<u>43</u>)
	<u>\$ -</u>	<u>\$ 59,957</u>

The outstanding short-term notes payable are as follows:

Dec.31st, 2024:None °

Dec.31st, 2023

	<u>Face Value</u>	<u>Discount Amount</u>	<u>Book Value</u>	<u>Interest Rate Range</u>
Accounts Payable -				
Commercial Paper				
Mega Bank Paper	<u>\$ 60,000</u>	<u>\$ 43</u>	<u>\$ 59,957</u>	1.46%

(3) Long-term Borrowings

	<u>Dec.31st, 2024</u>	<u>Dec.31st, 2023</u>
Bank Loans	\$ 180,986	\$ 19,748
Minus: Current Portion	(<u>38,669</u>)	(<u>7,271</u>)
Long-term Borrowings	<u>\$ 142,317</u>	<u>\$ 12,477</u>

As of December 31, 2024 and 2023, the Consolidated company borrowing interest rates were 2.225% and 2.185%, respectively.

the Consolidated company previously obtained a long-term loan with a principal amount of NT\$50,000 thousand, with a loan period from August 8, 2019 to August 8, 2026. The loan was repayable in 84 equal monthly installments of principal and interest. This loan was repaid early in June 2024.

In the current year, the Consolidated company obtained a new long-term loan with a principal amount of NT\$200,000 thousand, with a loan period from June 7, 2024 to June 7, 2029. The loan is repayable in 60 equal monthly installments of principal and interest.

The bank loans are secured borrowings used to finance working capital requirements. Please refer to Note 26.

16. Accounts Payable

	<u>Dec.31st, 2024</u>	<u>Dec.31st, 2023</u>
Accounts Payable	<u>\$1,195,768</u>	<u>\$ 847,034</u>

The average payment period for accounts payable ranges from 60 days to 90 days. the Consolidated company has established a financial risk management policy to ensure that all payables are settled within the agreed credit terms in advance.

17. Other Liabilities

	<u>Dec.31st, 2024</u>	<u>Dec.31st, 2023</u>
Current Liabilities		
Other Accounts Payable		
Accrued Expenses	\$ 242,921	\$ 259,371
Equipment Payables	112,731	34,947
Others	<u>2,871</u>	<u>2,593</u>
	<u>\$ 358,523</u>	<u>\$ 296,911</u>
Other Current Liabilities		
unearned revenue	\$ 1,590	\$ 360
Collect payments	118	119
Temporary collections	<u>19,029</u>	<u>19,071</u>
	<u>\$ 20,737</u>	<u>\$ 19,550</u>

The temporary receipts primarily consist of subsidies received by First Hi-tec Enterprise Co., Ltd. from the Ministry of Economic Affairs for the

promotion of low-carbon and smart transformation upgrades in the manufacturing industry.

Details of accounts payable are as follows:

	<u>Dec.31st, 2024</u>	<u>Dec.31st, 2023</u>
Salaries and bonuses payable	\$ 112,338	\$ 119,215
Employee and director remuneration payable (Refer to Note 20)	47,627	65,184
Repair expenses payable	19,067	19,801
Utilities payable (water, electricity, gas)	15,186	11,708
Unpaid leave bonuses payable	9,924	7,929
Labor and health insurance payable	7,938	7,211
Retirement benefits payable	2,931	2,689
Commissions payable	99	-
Service fees payable	2,840	813
Interest payable	788	145
Others	<u>24,183</u>	<u>24,676</u>
	<u>\$ 242,921</u>	<u>\$ 259,371</u>

18. Retirement Benefit Plan

(1) Defined Contribution Plan

The retirement pension system of the Company follows the government-regulated defined contribution retirement plan under the "Labor Pension Act". According to this scheme, 6% of the employee's monthly salary is allocated to the retirement fund and deposited into individual accounts with the Labor Insurance Bureau.

(2) Defined Benefit Plan

The retirement pension system of the Company, governed by the Labor Standards Act of Taiwan, is classified as a defined benefit retirement plan. Payment of employee retirement benefits is calculated based on years of service and the average monthly salary for the six months preceding the approved retirement date. The Company allocates 3.5% of the total monthly salary of employees to the Employee Retirement Fund, which is deposited into an account at the Taiwan Bank in the name of the Labor Retirement Reserve Supervisory Committee. If, by the end of the fiscal year, it is estimated that the account balance is insufficient to cover the estimated retirement benefits for eligible employees in the following year, the shortfall is allocated in a lump sum by the end of March of the subsequent year.

The amounts of the defined benefit plan included in the balance sheet are as follows:

	<u>Dec.31st, 2024</u>	<u>Dec.31st, 2023</u>
Defined Benefit Obligation	\$ 60,409	\$ 58,248
Fair Value of Plan Assets	(<u>7,610</u>)	(<u>559</u>)
Net Defined Benefit Liability	<u>\$ 52,799</u>	<u>\$ 57,689</u>

Changes in Net Defined Benefit Liability:

	Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liability
January 1, 2023 Balance	<u>\$ 61,127</u>	<u>(\$ 26,700)</u>	<u>\$ 34,427</u>
Service Cost			
Current Service Cost	-	-	-
Interest Cost (Income)	<u>795</u>	<u>(361)</u>	<u>434</u>
Recognized in Profit or Loss	<u>795</u>	<u>(361)</u>	<u>434</u>
Remeasurement Amount			
Plan Asset Gain (excluding the amount included in net interest)	-	(1)	(1)
Actuarial Gain - Financial Assumption Changes	132	-	132
Actuarial Loss - Experience Adjustments	<u>27,863</u>	<u>-</u>	<u>27,863</u>
Recognized in Other Comprehensive Income	<u>27,995</u>	<u>(1)</u>	<u>27,994</u>
Employer Contributions	-	(5,166)	(5,166)
Benefit Payments	<u>(31,669)</u>	<u>31,669</u>	<u>-</u>
December 31, 2023 Balance	<u>58,248</u>	<u>(559)</u>	<u>57,689</u>
Service Cost			
Current Service Cost	-	-	-
Interest Cost (Income)	<u>745</u>	<u>(13)</u>	<u>732</u>
Recognized in Profit or Loss	<u>745</u>	<u>(13)</u>	<u>732</u>
	Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liability
Remeasurement Amount			
Plan Asset Gain (excluding the amount included in net interest)	\$ -	(\$ 855)	(\$ 855)
Actuarial Loss - Financial Assumption Changes	320	-	320
Actuarial Loss - Experience Adjustments	<u>12,438</u>	<u>-</u>	<u>12,438</u>
Recognized in Other Comprehensive Income	<u>12,758</u>	<u>(855)</u>	<u>11,903</u>
Employer Contributions	-	(17,525)	(17,525)
Benefit Payments	<u>(11,342)</u>	<u>11,342</u>	<u>-</u>
December 31, 2024 Balance	<u>\$ 60,409</u>	<u>(\$ 7,610)</u>	<u>\$ 52,799</u>

the Consolidated company is exposed to the following risks under the retirement pension system governed by the Labor Standards Act:

- a. Investment Risk: The Labor Pension Fund Management Committee of the Ministry of Labor invests the retirement pension funds in domestic and foreign equities, debt securities, and bank deposits through self-management and entrusted management. However,

the return on plan assets for the Consolidated company is calculated based on yields not lower than the local bank's 2-year fixed deposit rate.

- b. Interest Rate Risk: A decrease in government bond interest rates will increase the present value of defined benefit obligations. However, the return on debt investments of plan assets will also increase accordingly, partially offsetting the impact on the net defined benefit liability.
- c. Salary Risk: The calculation of the present value of defined benefit obligations is based on the future salaries of plan members. Therefore, an increase in plan members' salaries will increase the present value of defined benefit obligations.

The present value of the Consolidated company defined benefit obligations is determined by a qualified actuary. The significant assumptions as of the measurement date are as follows:

	<u>Dec.31st, 2024</u>	<u>Dec.31st, 2023</u>
Discount Rate	1.45%	1.28%
Expected Salary Increase Rate	2.25%	2.00%

If significant actuarial assumptions change reasonably, while all other assumptions remain unchanged, the impact on the present value of defined benefit obligations (increase/decrease) would be as follows:

	<u>Dec.31st, 2024</u>	<u>Dec.31st, 2023</u>
Discount Rate		
Increase by 0.25%	(\$ <u>1,421</u>)	(\$ <u>1,452</u>)
Decrease by 0.25%	\$ <u>1,468</u>	\$ <u>1,503</u>
Expected Salary Increase Rate		
Increase by 0.25%	\$ <u>1,302</u>	\$ <u>1,343</u>
	(\$ <u>1,269</u>)	(\$ <u>1,306</u>)

Due to the potential interdependence of actuarial assumptions, the likelihood of a single assumption changing independently is minimal. Therefore, the sensitivity analysis above may not accurately reflect the actual changes in the present value of defined benefit obligations.

	<u>Dec.31st, 2024</u>	<u>Dec.31st, 2023</u>
Expected contribution amount within		
1 year	\$ <u>796</u>	\$ <u>1,124</u>
Average expected period until the		
maturity of defined benefit		
obligations	1 year	1 years

- 19. Equity
 - (1) Capital Stock
 - Common Shares

	<u>Dec.31st, 2024</u>	<u>Dec.31st, 2023</u>
Authorized Shares (in thousands)	<u>120,000</u>	<u>120,000</u>
Authorized Capital	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>
Issued and Fully Paid Shares (in thousands)	<u>92,976</u>	<u>92,976</u>
Issued Capital	<u>\$ 929,757</u>	<u>\$ 929,757</u>

(2) Capital Surplus

	<u>Dec.31st, 2024</u>	<u>Dec.31st, 2023</u>
Stock Issuance Premium	<u>\$ 485,112</u>	<u>\$ 485,112</u>
Treasury Stock Transactions	<u>3,795</u>	<u>3,795</u>
Expired Stock Options	<u>6,000</u>	<u>6,000</u>
	<u>\$ 494,907</u>	<u>\$ 494,907</u>

Surplus in capital reserves, including the excess amount from the issuance of shares above their face value (including issuing ordinary shares above par value and treasury stock transactions), as well as amounts received from donations, may be used to offset losses. Additionally, when the company is not in a deficit, such surplus may be utilized to distribute cash dividends or to increase share capital. However, when increasing share capital, there is an annual limit based on a certain percentage of the paid-up capital.

(3) Retained Earnings and Dividend Policy

The dividend distribution policy of our company stipulates that if there is a surplus in the annual financial statements, in addition to settling taxes and donations in accordance with the law and compensating for losses from previous years, 10% shall be allocated as statutory surplus reserves. However, when the statutory surplus reserve reaches the prescribed statutory limit, this requirement does not apply. Moreover, depending on operational needs or legal requirements, after setting aside or reversing special surplus reserves, if there is still a balance remaining, along with the accumulated undistributed earnings from previous years, the Board of Directors shall propose a dividend distribution resolution to the shareholders' meeting in accordance with Article 20 of the Articles of Association, seeking approval for the distribution of dividends to shareholders. In the absence of profits, no dividends or bonuses will be distributed. However, if the statutory surplus reserve exceeds 50% of the paid-up capital, the excess may be distributed to shareholders as dividends. For the policy regarding the distribution of remuneration to employees and directors and supervisors as stipulated in the company's articles of association, please refer to Note 20(6) on the remuneration of employees and directors and supervisors.

Our company belongs to a technology and capital-intensive industry and is in a period of industry growth to keep up with the continuous

innovation in downstream electronic products. Therefore, the precision and automation levels of our company's technological layers and production equipment need to be continuously improved. Therefore, our company adopts a residual dividend policy for dividend distribution. We will consider the actual capital expenditure budget and operational plans for the year. Generally, the proportion of cash dividends distributed by our company is set at no less than one-tenth of the total dividends for the year. If the total dividends distributed are less than one dollar, cash dividends may not be distributed.

At the shareholders' meetings held on June 26, 2024 and June 21, 2023, respectively, the following profit distribution proposals for 2023 and 2022 were approved:

	Profit Distribution Proposal		Dividend per Share (NTD)	
	2023	2022	2023	2022
Statutory Surplus Reserve	\$ 44,886	\$ 36,621	\$ -	\$ -
Cash Dividend	381,200	306,820	4.10	3.30

The Board of Directors proposed the profit distribution plan for the fiscal 2024 on March 12, 2025, as follows:

	Profit Distribution Proposal	Dividend per Share (NTD)
Statutory Surplus Reserve	\$ 31,725	\$ -
Special Reserve	47	-
Cash Dividend	204,547	2.2

When distributing earnings, the Consolidated company is required to appropriate an additional special reserve for the difference between the negative balance of other components of equity as at the reporting date and the special reserve previously appropriated upon first-time adoption of IFRS.

In subsequent periods, if the negative balance of other components of equity is reversed, the related portion of the special reserve may be reversed and made available for distribution.

The earnings distribution plan for the year ended December 31, 2024, is subject to the resolution of the shareholders' meeting scheduled to be held on June 19, 2025.

(4) Other Components of Equity

Exchange Differences on Translation of Foreign Operations

The exchange differences arising from the translation of the net assets of foreign operations from their functional currencies into the Consolidated

company presentation currency (New Taiwan dollars) are recognized directly in other comprehensive income under "Exchange Differences on Translation of Foreign Operations."

The cumulative amount of such exchange differences is reclassified to profit or loss upon disposal of the foreign operation.

20. Continuing Operations Net Profit

(1) Interest Income

	<u>2024</u>	<u>2023</u>
Bank Deposits	\$ 7,162	\$ 3,717
Held-to-Maturity Securities	3,573	5,317
Others	<u>895</u>	<u>765</u>
	<u>\$ 11,630</u>	<u>\$ 9,799</u>

(2) Other Income and Expenses

	<u>2024</u>	<u>2023</u>
Net Foreign Exchange (Loss) Gain	\$ 62,500	(\$ 10,793)
Net (Loss) Gain on Compensation	(67,864)	(9,218)
Loss on Disposal and Write-off of Property, Plant, and Equipment	(1,583)	(635)
Net Loss on Financial Assets at Fair Value Through Profit or Loss	(370)	-
Subsidy Income	-	6,843
Others	<u>5,303</u>	<u>3,996</u>
	<u>(\$ 2,014)</u>	<u>(\$ 9,807)</u>

(3) Financial Costs

	<u>2024</u>	<u>2023</u>
Interest on Bank Borrowings	\$ 8,147	\$ 5,035
Interest on Lease Liabilities	2,739	2,164
Other Interest	<u>162</u>	<u>468</u>
	<u>\$ 11,048</u>	<u>\$ 7,667</u>

(4) Depreciation Expenses

	<u>2024</u>	<u>2023</u>
Property, Plant, and Equipment	\$ 179,082	\$ 164,928
Leased Assets	<u>16,684</u>	<u>9,024</u>
	<u>\$ 195,766</u>	<u>\$ 173,952</u>
Depreciation expenses aggregated by functional category		
Cost of Sales	\$ 182,550	\$ 164,061
Operating Expenses	<u>13,216</u>	<u>9,891</u>
	<u>\$ 195,766</u>	<u>\$ 173,952</u>

(5) Employee Benefits Expense

	<u>2024</u>	<u>2023</u>
Short-term Employee Benefits (including salaries, bonuses, and labor insurance premiums)	\$ <u>708,941</u>	\$ <u>700,493</u>
Post-employment Benefits		
Defined Contribution Plans	17,108	15,102
Defined Benefit Plans (see Note 18)	<u>732</u>	<u>434</u>
	<u>17,840</u>	<u>15,536</u>
Total Employee Benefits Expense	\$ <u>726,781</u>	\$ <u>716,029</u>
Aggregated by functional category		
Cost of Goods Sold	\$ 602,205	\$ 589,333
Operating Expenses	<u>124,576</u>	<u>126,696</u>
	<u>\$ 726,781</u>	<u>\$ 716,029</u>

(6) Employee and Director Remuneration

In accordance with the company's articles of association, the company allocates employee remuneration and director remuneration at rates ranging from 6% to 8% and not exceeding 4% of the pre-tax profits for the year, respectively, before deducting employee and director remuneration. The remuneration for employees and directors for the years 2024 and 2023 were determined by the board of directors on March 12, 2025, and March 13, 2024, respectively.

Estimated Allocation Ratio

	<u>2024</u>	<u>2023</u>
Employee Remuneration	7%	7%
Director Remuneration	2.5%-3%	3%

Amount (in thousands)

	<u>2024</u>		<u>2023</u>	
	<u>Cash</u>	<u>Stock</u>	<u>Cash</u>	<u>Stock</u>
Employee Remuneration	\$ 31,472	\$ -	\$ 45,629	\$ -
Director Remuneration	12,536	-	19,555	-

Before the release date of the annual Consolidated financial report, if there is a significant change in the amount to be disbursed as decided by the Board of Directors, the original provision for annual expenses will be adjusted accordingly. If there are still changes in the amount after the release date of the annual financial report, they will be handled as accounting estimate changes and adjusted in the following year's accounts.

The amounts for employee and director remuneration in the 2023 and 2022 fiscal years did not differ from the amounts recognized in the financial reports for the respective years.

Information Regarding the Employee and Director Remuneration Resolved by the Board of Directors of the Company, please refer to the "Public Information Observation Station" of the Taiwan Stock Exchange.

(7) Reversal of Impairment Losses on Financial Assets

	<u>2024</u>	<u>2023</u>
Accounts Receivable (Recognized in Operating Expenses)	(\$ <u>5</u>)	\$ <u>5</u>

(8) Reversal of Impairment Losses on Non-financial Assets

	<u>2024</u>	<u>2023</u>
Reversal of Inventory Write-downs (Recognized in Cost of Goods Sold)	\$ <u>15,264</u>	(\$ <u>2,607</u>)

21. Income Tax for Continuing Operations

(1) Components of Income Tax Expense Recognized in Profit or Loss

	<u>2024</u>	<u>2023</u>
Current Income Tax		
Current Year	\$ 89,441	\$ 121,101
Adjustments from Prior Years	(<u>3,764</u>)	(<u>1,942</u>)
	<u>85,677</u>	<u>119,159</u>
Deferred Income Tax		
Current Year	(<u>8,661</u>)	(<u>3,753</u>)
Income Tax Expense Recognized in Profit or Loss	\$ <u>77,016</u>	\$ <u>115,406</u>

The adjustment between accounting income and current income tax expense is as follows:

	<u>2024</u>	<u>2023</u>
Income before tax from continuing operations	\$ <u>403,785</u>	\$ <u>586,661</u>
Income tax expense calculated at statutory tax rates on income before tax		
Non-deductible expenses for tax purposes	\$ 80,757	\$ 117,332
Adjustment for prior year's income tax expense recognized in the current period	23	16
Income tax expense recognized in the income statement	(<u>3,764</u>)	(<u>1,942</u>)
Income before tax from continuing operations	\$ <u>77,016</u>	\$ <u>115,406</u>

(2) Recognition of income tax benefits in other comprehensive income

	<u>2024</u>	<u>2023</u>
<u>Deferred tax</u>		
Re-measurement of defined benefit plans	\$ <u>2,381</u>	\$ <u>5,599</u>

(3) Current income tax assets and liabilities

	<u>Dec.31st , 2024</u>	<u>Dec.31st , 2023</u>
Current income tax liabilities		
Payable income tax	<u>\$ 27,395</u>	<u>\$ 78,116</u>

(4) Deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities are as follows:
For the year ended 2024

	<u>Beginning balance</u>	<u>Recognized in profit or loss</u>	<u>Recognized in other comprehensive income</u>	<u>Ending balance</u>
Deferred Tax Assets				
Temporary Differences				
Inventory	\$ 10,917	\$ 3,053	\$ -	\$ 13,970
Defined Benefit Retirement				
Plans	11,538	(3,360)	2,381	10,559
Capitalization of Expenses	4,025	1,187	-	5,212
Allowance for Doubtful				
Accounts	161	(161)	-	-
Others	<u>9,090</u>	<u>7,942</u>	<u>-</u>	<u>17,032</u>
	<u>\$ 35,731</u>	<u>\$ 8,661</u>	<u>\$ 2,381</u>	<u>\$ 46,773</u>

For the year ended 2023

	<u>Beginning balance</u>	<u>Recognized in profit or loss</u>	<u>Recognized in other comprehensive income</u>	<u>Ending balance</u>
Deferred Tax Assets				
Temporary Differences				
Inventory	\$ 11,438	(\$ 521)	\$ -	\$ 10,917
Defined Benefit Retirement				
Plans	6,885	(946)	5,599	11,538
Capitalization of Expenses	4,281	(256)	-	4,025
Allowance for Doubtful				
Accounts	702	(541)	-	161
Others	<u>3,073</u>	<u>6,017</u>	<u>-</u>	<u>9,090</u>
	<u>\$ 26,379</u>	<u>(\$ 3,753)</u>	<u>\$ 5,599</u>	<u>\$ 35,731</u>

(5) Income Tax Assessment

The income tax settlement and declaration cases of the Company for previous years have been audited and confirmed by the tax authorities up to the year 2022.

22. Earnings Per Share

	Unit: Per share in NT dollars	
	<u>2024</u>	<u>2023</u>
Basic Earnings Per Share	<u>\$ 3.51</u>	<u>\$ 5.07</u>
Diluted Earnings Per Share	<u>\$ 3.51</u>	<u>\$ 5.04</u>

Net Profit for the Period

	2024	2023
Net profit used in calculating earnings per share	<u>\$ 326,769</u>	<u>\$ 471,255</u>

Number of Shares

	Unit: Thousands of NT dollars	
	2024	2023
Weighted average number of ordinary shares used in calculating basic earnings per share	92,976	92,976
Effect of potentially dilutive ordinary shares - Employee compensation	<u>337</u>	<u>480</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>93,313</u>	<u>93,456</u>

If the company chooses to distribute employee compensation in the form of stock or cash, when calculating diluted earnings per share, it is assumed that the employee compensation will be distributed in the form of stock. The weighted average number of outstanding shares is then adjusted to include the effect of potential dilution from the issuance of shares to employees. This is done to calculate diluted earnings per share. When calculating diluted earnings per share before the issuance of shares for employee compensation in the following year's board meeting, the dilutive effect of such potential ordinary shares continues to be considered.

23. Non-cash Transactions

The Consolidated company purchased property, plant, and equipment in the amounts of 112,731 thousand NT dollars and 34,947 thousand NT dollars for the years ended Year 2024 and Year 2023, respectively, as of the reporting period end dates, which remained unpaid.

24. Capital Risk Management

The Consolidated company conducts capital management to ensure that it can continue operations while optimizing the balance between debt and equity to maximize shareholder returns.

The capital structure of the company consists of net debt (i.e., borrowings less cash and cash equivalents) attributable to equity holders of the company (i.e., share capital, capital reserves, and retained earnings).

The Consolidated company is not subject to any external capital requirements.

25. Financial Instruments

(1) Information on Fair Value

Financial Instruments Measured at Other than Fair Value

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Dec. 31 st , 2024					
<u>Financial Assets</u>					
Financial assets measured at amortized cost					
	\$ 19,724	\$ 19,137	\$ -	\$ -	\$ 19,137
Dec. 31 st , 2023					
<u>Financial Assets</u>					
Financial assets measured at amortized cost					
	18,464	17,923	-	-	17,923

(2) Types of Financial Instruments

	Dec.31 st , 2024	Dec.31 st , 2023
<u>Financial Assets</u>		
Financial assets measured at amortized cost (Note 1)		
	\$ 2,029,915	\$ 1,937,114
<u>Financial Liabilities</u>		
Financial liabilities measured at amortized cost (Note 2)		
	2,326,827	1,500,050

Note1: The balance includes cash and cash equivalents, notes receivable, accounts receivable including related parties, other receivables, other financial assets – current, financial assets measured at amortized cost - non-current, and deposits paid as collateral, all measured at amortized cost.

Note2: The balance includes short-term borrowings, accounts payable, other payables, long-term borrowings (including those due within one year), and deposits received as collateral, all measured at amortized cost.

(3) Financial Risk Management Objectives and Policies

The main financial instruments of First Hi-tec Enterprise Co., Ltd. include accounts receivable, accounts payable, lease liabilities, short-term borrowings, and long-term borrowings. The financial management department of the company provides services to various business units, overseeing and coordinating operations in the domestic financial market. It supervises and manages financial risks related to the company's operations by analyzing internal risk reports according to the level and breadth of risk. These risks include market risk (including exchange rate risk, interest rate risk, and other price risks), credit risk, and liquidity risk.

a. Market Risk

The primary financial risks borne by First Hi-tec Enterprise Co., Ltd. due to its operating activities are foreign exchange rate risk (refer to (1) below) and interest rate risk (refer to (2) below).

The Consolidated company exposure to market risk related to financial instruments and its methods of managing and measuring such exposures have not changed.

(a) Foreign Exchange Rate Risk

The Consolidated company engages in sales and purchases transactions denominated in foreign currencies, exposing it to exchange rate fluctuations. Approximately 79% of the sales in the fiscal year 2024 were denominated in currencies other than the functional currency of the counterparty, while about 55% of the cost amounts were denominated in currencies other than the functional currency of the counterparty.

Information on monetary assets and liabilities denominated in non-functional currencies as of the balance sheet date can be found in Note 29.

Sensitivity Analysis

The Consolidated company operations are primarily affected by fluctuations in the exchange rates of the US dollar, Japanese yen, and Thai baht.

The following table provides a detailed explanation of the sensitivity analysis of First Hi-tec Enterprise Co., Ltd. when the New Taiwan Dollar (functional currency) appreciates or depreciates by 1% against the relevant foreign currencies. The 1% represents the sensitivity ratio used by the company's senior management to report exchange rate risk internally and reflects their assessment of the reasonable range of potential fluctuations in foreign exchange rates. The sensitivity analysis includes only foreign currency-denominated items that are outstanding at the end of the period, adjusted by a 1% change in the exchange rate. Positive numbers in the table indicate the amount by which post-tax profit or equity would increase when the foreign currency appreciates by 1% against the New Taiwan Dollar. Conversely, when the foreign currency depreciates by 1% against the New Taiwan Dollar, the impact on profit or equity would be the same amount but negative.

	Impact of US Dollar	
	2024	2023
Income Statement	\$ 6,665	\$ 8,596

	Impact of Japanese Yen	
	2024	2023
Income Statement	\$ 51	\$ 286

	Impact of Thai Baht	
	2024	2023
Income Statement	\$ 25	\$ 63

(b) Interest Rate Risk

As of the balance sheet date, the financial assets and financial liabilities subject to interest rate risk are as follows:

	Dec.31 st , 2024	Dec.31 st , 2023
Fair Value Interest Rate Risk		
Financial Assets	\$ 335,301	\$ 389,633
Financial Liabilities	174,547	213,445
Cash Flow Interest Rate Risk		
Financial Liabilities	770,986	294,748

Sensitivity Analysis

The following sensitivity analysis is based on interest rate risk as of the balance sheet date. For floating-rate liabilities, the analysis assumes that the amount of liabilities outstanding on the balance sheet date remains outstanding throughout the entire year. The volatility rate used for internal reporting to the key management personnel of The Consolidated company is an increase or decrease of 1% in interest rates, which also represents the management's assessment of the reasonable range of potential interest rate fluctuations.

The financial assets subject to fair value interest rate risk of The Consolidated company mainly consist of time deposits, repurchase agreements, and financial bonds. Since the interest rates at the time of contracting are fixed, they are not affected by interest rate fluctuations and are therefore not included in the scope of sensitivity analysis. Additionally, for the financial liabilities subject to cash flow interest rate risk, if the interest rates increase/decrease by 1%, with all other variables remaining constant, The Consolidated company after-tax net income for the fiscal years 2024 and 2023 will decrease/increase by NT\$6,168 thousand and NT\$2,358 thousand, respectively, mainly due to the exposure to cash

flow interest rate risk of The Consolidated company variable-rate borrowings.

b. Credit Risk

Credit risk refers to the risk of financial loss to The Consolidated company due to counterparties failing to fulfill contractual obligations. As of the balance sheet date, the maximum credit risk exposure arising from counterparties' failure to fulfill obligations that may cause financial losses primarily comes from the carrying amounts of financial assets recognized in the balance sheet.

The Consolidated company policy is to transact only with counterparties of outstanding creditworthiness and to obtain adequate collateral, where necessary, to mitigate the risk of financial loss resulting from defaults. The Consolidated company evaluates its major customers based on publicly available financial information and trading records and continuously monitors credit exposures and credit ratings of counterparties. Additionally, the Company diversifies total transaction amounts among customers with qualified credit ratings and annually reviews and approves credit limits for counterparties to control credit exposures.

When counterparties are related entities, The Consolidated company defines them as counterparties with similar characteristics. The Company's credit risk is primarily concentrated on its top two customers. As of December 31, 2024 and 2023, respectively, the balances of accounts receivable from the top two customers were NT\$1,328,211 thousand and NT\$1,102,058 thousand, accounting for 84% and 81% of the total accounts receivable, respectively.

c. Liquidity Risk

The Consolidated company manages and maintains sufficient positions of cash and cash equivalents to support The Consolidated company operations and mitigate the impact of cash flow volatility. Senior management oversees the utilization of bank financing facilities and ensures compliance with loan contract terms.

(a) Liquidity and Interest Rate Risk Schedule

The following table provides a detailed analysis of the remaining contractual maturities of non-derivative financial liabilities for which The Consolidated company has agreed repayment terms. It is based on the earliest possible dates that the Company could be required to repay, and is prepared using undiscounted cash flows for financial liabilities, including cash flows for both interest and principal.

Bank borrowings for which The Consolidated company could be required to repay immediately are listed within the earliest periods in the table, without consideration of the probability of banks exercising this right immediately. Other non-derivative financial liabilities' maturity analysis is prepared based on the agreed repayment dates. For interest cash flows paid at floating rates, the undiscounted interest amount is derived based on the yield curve as of the balance sheet date.

Dec.31st, 2024

	Weighted Average Effective Interest Rate (%)	Immediate payment or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Non-derivative Financial Liabilities							
Non-interest-bearing liabilities	-	\$ 125,732	\$ 988,667	\$ 440,781	\$ 661	\$ -	\$ 1,555,841
Lease liabilities	1.435%-2.185%	1,641	3,281	14,765	68,467	103,500	191,654
Floating rate instruments	1.750%-2.185%	<u>413,189</u>	<u>9,605</u>	<u>205,875</u>	<u>142,317</u>	<u>-</u>	<u>770,986</u>
		<u>\$ 540,562</u>	<u>\$ 1,001,553</u>	<u>\$ 661,421</u>	<u>\$ 211,445</u>	<u>\$ 103,500</u>	<u>\$ 2,518,481</u>

Dec.31st, 2023

	Weighted Average Effective Interest Rate (%)	Immediate payment or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Non-Derivative Financial Liabilities							
Non-interest-bearing liabilities	-	\$ 131,553	\$ 684,926	\$ 327,340	\$ 1,526	\$ -	\$ 1,145,345
Lease liabilities	1.435%-2.185%	1,025	2,051	9,229	45,197	113,700	171,202
Floating-rate instruments	1.750%-2.185%	275,600	1,203	5,468	12,477	-	294,748
Fixed-rate instruments	1.460%	<u>59,957</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,957</u>
		<u>\$ 468,135</u>	<u>\$ 688,180</u>	<u>\$ 342,037</u>	<u>\$ 59,200</u>	<u>\$ 113,700</u>	<u>\$ 1,671,252</u>

(b) Financing and Credit Limits

	Dec.31 st , 2024	Dec.31 st , 2023
Financing and credit limits, annually reviewed		
Amount utilized (Note)	\$ 790,000	\$ 325,000
Unused amount	<u>417,000</u>	<u>165,000</u>
	<u>\$ 1,207,000</u>	<u>\$ 490,000</u>

Note:

The utilized amounts in the aforementioned financing and credit limits are calculated based on the principal amount borrowed under the The Group's original long-term loans and do not affect the initially utilized amount until fully repaid.

26. Pledged Assets

The following assets of the The Group's have been pledged as collateral for bank borrowings or as performance guarantees for applying for subsidies from the Ministry of Economic Affairs:

	<u>Dec.31st, 2024</u>	<u>Dec.31st, 2023</u>
Real estate, factories, and equipment -		
Land	\$ 213,811	\$ 174,236
Restricted-term deposits	<u>19,000</u>	<u>19,000</u>
	<u>\$ 232,811</u>	<u>\$ 193,236</u>

The land is provided as collateral for long-term borrowings; the restricted-term deposits are provided as performance guarantees for applying for subsidies from the Ministry of Economic Affairs.

27 Significant contingent liabilities and unrecognized contractual commitments

The undisclosed contractual commitments of the Group are as follows:

	<u>Dec.31st, 2024</u>	<u>Dec.31st, 2023</u>
Acquisition of real estate, factories, and equipment	<u>\$ 416,703</u>	<u>\$ 193,121</u>

28. Related Party Transactions

Transactions, account balances, income, and expenses between the Consolidated company and its subsidiaries (which are related parties of the Company) have been eliminated upon consolidation and are therefore not disclosed in this note.

The transactions between the Consolidated company and other related parties are as follows:

(1) Names of Related Parties and their Relationships

<u>Related Party Name</u>	<u>Relationship with the Company</u>
QNAP Systems, Inc.	Substantial related parties (before September 16, 2024) (Note 1)
IEI Integration Corp.	Substantial related parties (before September 16, 2024) (Note 2)

Note 1:

A director of the company also served as a key management personnel of QNAP Systems, Inc., but was dismissed from the position on September 16, 2024.

Note 2:

A director of the Company also served as a director of IEI Integration Corp., but ceased to hold the position on September 16, 2024.

(2) Sales Transactions - Sales Revenue and Accounts Receivable

a. Sales Revenue

	<u>Dec.31st, 2024</u>	<u>Dec.31st, 2023</u>
Transactions with Other Related Enterprises	<u>\$ 134,648</u>	<u>\$ 88,066</u>

Due to the customized and diversified nature of our products, the specifications of products sold to related parties differ from those sold to unrelated parties, making it difficult to compare sales prices. Additionally, there are no significant differences in payment terms compared to unrelated parties.

b. Accounts Receivable

The balance of receivables from related parties as of the balance sheet date is as follows:

	Dec.31 st , 2024	Dec.31 st , 2023
Transactions with Other Related Enterprises	<u>\$ 9,423</u>	<u>\$ 27,267</u>

(3) Other Related Party Transactions Compensation Losses

	2024	2023
Other Related Companies	<u>\$ 172</u>	<u>\$ 99</u>

It mainly refers to the compensation expenses paid by The Consolidated company for product defects occurring in products sold to customers.

(4) Remuneration for Key Management Personnel

The total remuneration for directors and other key management personnel for the years 2024 and 2023 is as follows:

	2024	2023
Short-term Employee Benefits	<u>\$ 44,701</u>	<u>\$ 53,261</u>

The compensation of directors and other key management personnel is determined by the Remuneration Committee based on individual performance and market trends.

29. Significant Foreign Currency Assets and Liabilities Information

The information regarding significant foreign currency financial assets and liabilities of The Consolidated company is as follows:

Dec. 31st , 2024

	Foreign Currency	Exchange Rate	Book Value
<u>Financial Assets</u>			
<u>Monetary Items</u>			
US Dollar (USD)	\$ 51,197	32.79	\$ 1,678,509
Japanese Yen (JPY)	30,279		
Thai Baht (THB)	2,500	0.21 0.96	6,355 2,406
<u>Financial Liabilities</u>			
<u>Monetary Items</u>			
US Dollar (USD)	25,785	32.79	845,349
Thai Baht (THB)	5,746	0.96	5,529

Dec. 31st , 2023

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Book Value</u>
<u>Financial Assets</u>			
<u>Monetary Items</u>			
US Dollar (USD)	\$ 51,629	30.71	\$ 1,585,258
Japanese Yen (JPY)	164,361	0.23	35,699
<u>Financial Liabilities</u>			
<u>Monetary Items</u>			
US Dollar (USD)	16,633	30.71	510,714
Thai Baht (THB)	8,696	0.90	7,841

Realized and unrealized foreign exchange gains and losses with significant impact are as follows:

Foreign Currency	<u>2024</u>		<u>2023</u>	
	<u>Exchange Rate</u>	<u>Net Exchange (Loss) Gain</u>	<u>Exchange Rate</u>	<u>Net Exchange (Loss) Gain</u>
US Dollar (USD)	32.11 (USD : NT)	\$ 64,689	31.16 (USD : NT)	(\$ 10,329)
Japanese Yen (JPY)	0.21 (JPY : NT)	(1,752)	0.22 (JPY : NT)	(640)
Chinese Yuan (CNY)	4.45 (CNY : NT)	(3)	4.40 (CNY : NT)	(4)
Thai Baht (THB)	0.92 (THB : NT)	(434)	0.90 (THB : NT)	180
		<u>\$ 62,500</u>		<u>(\$ 10,793)</u>

30. Note Disclosures

(1) Significant Transactions and (2) Information Related to Investees:

- A. Lending funds to others. (None)
- B. Endorsement guarantees for others. (None)
- C. Details of securities held at the end of the period (excluding investments in subsidiaries, associates, and joint ventures). (See Appendix 1)
- D. Accumulated purchases or sales of the same securities amounting to NT\$300 thousand or more, or exceeding 20% of paid-in capital. (None)
- E. Acquisition of real estate amounting to NT\$300 thousand or more, or exceeding 20% of paid-in capital. (See Appendix 2)
- F. Disposal of real estate amounting to NT\$300 thousand or more, or exceeding 20% of paid-in capital. (None)
- G. Sales or purchases of goods with related parties amounting to NT\$100 thousand or more, or exceeding 20% of paid-in capital. (None)
- H. Accounts receivable from related parties amounting to NT\$100 thousand or more, or exceeding 20% of paid-in capital. (None)
- I. Engagement in derivative transactions. (Note 20)

- J. Others: Business relationships and significant transactions between the parent company and subsidiaries, as well as among subsidiaries, including their respective amounts. (None)
- K. Information on investee companies. (See Appendix 3)
- (3) Mainland China investment information. (None)
- (4) Information on major shareholders: Names, holdings, and percentages of shareholders holding 5% or more of the shares. (See Appendix4)

31. Financial Information for Operating Segments

(1) Segment Information

The Consolidated company operates solely in the manufacturing and trading of printed circuit boards and computer peripheral equipment, constituting a single industry. Therefore, the operating segment and reporting segment are considered a single segment.

(2) Regional Information

The detailed breakdown of revenue and the location of non-current assets by region for the fiscal years 2024 and 2023 are as follows:

	Revenue from External Customers		Non-current Assets	
			2024	2023
	2024	2023	Dec. 31 st	Dec. 31 st
Asia	\$ 1,726,604	\$ 2,166,481	\$ 5,237	\$ 7,911
Taiwan	2,413,962	2,108,805	1,768,472	1,404,959
Others	<u>37,139</u>	<u>75,196</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,177,705</u>	<u>\$ 4,350,482</u>	<u>\$ 1,773,709</u>	<u>\$ 1,412,870</u>

Non-current assets do not include financial instruments and deferred tax assets.

(3) Important Customer Information

The details of customers accounting for more than 10% of the operating revenue as per the income statement for the fiscal years 2024 and 2023 are as follows:

Client	2024		2023	
	Amount	Percentage of Operating Net Amount	Amount	Percentage of Operating Net Amount
Client B	\$ 1,917,610	46	\$ 1,608,699	37
Client A	<u>1,397,030</u>	<u>33</u>	<u>1,857,914</u>	<u>43</u>
	<u>\$ 3,314,640</u>	<u>79</u>	<u>\$ 3,466,613</u>	<u>80</u>

First Hi-tec Enterprise Co., Ltd And and Subsidiaries
 Status of Securities Held at Period-End
 December 31, 2024

Appendix 1 Status of Securities Held at End of Period:

Unit: Thousand New Taiwan Dollars

Company Held	Type and Name of Securities Held	Relationship with Issuer of Securities	Account Classification	Year End				Notes
				Number of Shares/Units (Thousand Shares/Thousand Units)	Book Value	Percentage of Ownership (%)	Fair Value	
First Hi-tec Enterprise Co., Ltd	Foreign Corporate Bonds Standard Chartered Bank	None	Financial assets measured at amortized cost - Non-current	300	\$ 9,818	-	\$ 9,708	
	MacGregor Bank	"	"	300	9,906	-	9,429	

Acquisition of Real Property by First Hi-tec Enterprise Co., Ltd.,Ltd and Its Subsidiaries
with the Amount Reaching NT\$300 Million or Exceeding 20% of Paid-in Capital
From January 1 to December 31, 2024

Appendix 2

Unit: NT\$ Thousands

Company Acquiring the Real Property	Description of Property	Date of Occurrence	Transaction Amount	Status of Payment	Counterparty	Related Entity	Information on Prior Transfers When the Counterparty Is a Related Party				Basis for Price Determination	Purpose of Acquisition and Current Usage	Other Agreed Terms
							Owner	Relationship with the Company	Transfer Date	Amounts			
First Hi-Tech,Co., Ltd.	Land & Buildings	113.12.30	\$560,000 (Note)	Paid as agreed in the contract	SANHSIN Plastech Co.,Ltd.	None	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Based on market comparables and expert appraisal	For business expansion and production capacity planning	None

Note : The amount was authorized by the Board of Directors of the Group in December 2024.

First Hi-tec Enterprise Co., Ltd.,Ltd and Its Subsidiaries
Name of the investee company, location, and other related information
From January 1 to December 31, 2024

Appendix 3

Unit: NT\$ Thousands

Name of Investee Company	Name of Investee Company	Location	Principal Business Activities	Original Investment Amount		Balance at End of Period			Investee's Profit (Loss) for the Current Period	Share of Profit (Loss) of Investee Recognized in the Current Period	Remarks
				End of the Current Period	End of the Prior Year	Number of Shares	Percentage (%)	Carrying Amount			
First Hi-Tec Enterprise Co.,Ltd	FIRST HI-TEC ENTERPRISE (THAILAND) CO., LTD.	Thailand	Wholesale of Electronic Equipment and Components	\$ 2,453	\$ -	999,998	100	\$2,406	\$	\$	Note1

Note1 : Subsidiary newly established by the Group in 2024, with capital injection completed on December 30, 2024.

First Hi-tec Enterprise Co., Ltd.,Ltd and Its Subsidiaries

Information on Key Shareholder Information:

From January 1 to December 31, 2024

Appendix 4 Key Shareholder Information:

Shareholder Name	Shares	
	Number of Shares Held	Percentage of Ownership
Shareholders Holding Less Than 5%	-	-

Note:

The key shareholder information in this table is calculated by the Taiwan Depository & Clearing Corporation based on the total number of common and preferred shares held by shareholders as of the last business day of the quarter, excluding physical delivery (including treasury shares), which accounts for 5% or more. The recorded share capital in the company's financial reports may differ from the actual shares completed without physical delivery due to differences in calculation bases.

Disclaimer

This is a translation of the financial statements and auditor's report ("the statements") of First Hi-tec Enterprise Co., Ltd., and Its Subsidiaries ("Combined entity"). The translation is intended for reference only and no other purpose. The company hereby disclaims any and all liabilities whatsoever for the translation. The Chinese text of the statements shall govern any and all matters related to the interpretation of the subject matter stated herein.