

Coxon Precise Industrial Co., Ltd.

Parent Company Only Financial
Statements and Independent
Auditors' Report
For the years of 2024 and 2023

Address: No. 48, Ln. 1274, Zhongzheng Rd., Zhongli Dist.,

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The independent auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and financial statements, the Chinese version shall prevail.

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Auditor's Report

To: Coxon Precise Industrial Co., Ltd

Opinion

We have audited the accompanying financial statements of ABC Company (the "Company"), which comprise the balance sheets as of December 31, 2024 and 2023, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

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

Basis for Opinions

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2024. The matters were addressed in the context of our audit of the Parent Company Only Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matters.

The key audit matters for the 2024 parent-company only financial statements of the Company are specified as follows:

Key Audit Matter: Authenticity of sales in multi-lateral trading

The operating revenue of the Company for 2024 was NT\$994,345 thousand. Based on the consideration of the materiality of the financial statements and the auditing standard bulletin, the revenue recognition was preset as a significant risk. The revenue of Coxon Precise Industrial Co., Ltd. was generated from triangular trade occurred when production which manufactured in China and shipped directly to customers. We considered the occurrence of revenue describes as above as a key audit matter. Please refer to Notes 4 and 19 to the parent-company only financial statements.

Our key audit procedures performed in respect of the operating revenue recognition included the following:

1. Understand, evaluate and test the effectiveness of the design and implementation of the internal control system related to revenue recognition.
2. We obtained the details of triangular trade for the year ended December 31, 2024 and we sampled and tested the selected transactions with their original purchase orders and delivery orders, and we compared the amounts to their respective accounts; in addition, we also sampled and tested delivery orders and relative authentications in South China within to ensure the occurrence of the sales.
3. We obtained the sales returns details of triangular trade for the subsequent period, sampled and tested the related sales return supporting documents and reviewed the reasonableness of the occurrence of such sales returns.

Responsibilities of management and governance units for the parent-company only financial statements

Management is responsible for the preparation and fair presentation of the Parent Company Only Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC and SIC endorsed and issued into effect by the FSC of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of Parent Company Only Financial Statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Ming-Chung Hsieh and Pan-Fa Wang.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 13, 2025

Notice to Readers

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

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

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
Coxon Precise Industrial Co., Ltd.
Parent Company Only Balance Sheet
December 31, 2024 and 2023

Units: NT\$thousand

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current Asset				
1100	Cash and cash equivalents (Notes 6 and 23)	\$ 314,907	14	\$ 183,407	8
1120	Financial assets at fair value through other comprehensive income - current (Notes 7 & 23)	21,725	1	30,006	2
1136	Financial assets measured at amortized cost - current (Notes 8 and 23)	8,700	-	196,305	9
1170	Accounts receivable (Notes 9, 18 and 23)	414,601	18	236,596	11
1180	Accounts receivable - related parties (Notes 9, 18, 23 and 24)	23	-	-	-
1200	Other receivables (Notes 9, 23 and 24)	4,562	-	3,568	-
1220	Current income tax assets (Note 20)	2,211	-	890	-
130X	Inventory (Note 10)	3,983	-	6,027	-
1479	Other Current Asset	206	-	810	-
11XX	Total current assets	<u>770,918</u>	<u>33</u>	<u>657,609</u>	<u>30</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 7 and 23)	9,180	1	8,010	-
1550	Investments accounted for using the equity method (Note 11)	1,433,581	62	1,454,070	65
1600	Property, plant and equipment (Notes 12 and 24)	90,799	4	99,484	5
1780	Intangible assets	2,037	-	1,734	-
1915	Prepaid equipment payment	133	-	10	-
15XX	Total non-current assets	<u>1,535,730</u>	<u>67</u>	<u>1,563,308</u>	<u>70</u>
1XXX	Total Assets	<u>\$ 2,306,648</u>	<u>100</u>	<u>\$ 2,220,917</u>	<u>100</u>
	Liabilities and Equity				
	Current liabilities				
2130	Contract liabilities - current (Note 18)	\$ 1,170	-	\$ 15	-
2170	Accounts payable - non-related parties (Notes 13 and 23)	233,120	10	177,476	8
2180	Accounts payable - related parties (Notes 13, 23 and 24)	218,285	9	180,057	8
2213	Equipment payable (Note 23)	728	-	42	-
2219	Other payables - others (Notes 14, 23 and 24)	14,147	1	15,308	1
2250	Provision for liabilities - current (Note 15)	1,658	-	2,117	-
2300	Other current liabilities	2	-	-	-
21XX	Total current liabilities	<u>469,110</u>	<u>20</u>	<u>375,015</u>	<u>17</u>
	Non-current liabilities				
2570	Deferred income tax liabilities (Note 20)	6,730	1	5,945	-
2640	Net defined benefit liability (Note XVI)	2,299	-	10,960	1
25XX	Total non-current liabilities	<u>9,029</u>	<u>1</u>	<u>16,905</u>	<u>1</u>
2XXX	Total liabilities	<u>478,139</u>	<u>21</u>	<u>391,920</u>	<u>18</u>
	Equity (Note 17)				
	Share capital				
3110	Ordinary shares	1,216,622	53	1,216,622	55
3200	Capital surplus	1,295,956	56	1,424,762	64
3350	Undistributed earnings (loss to be offset)	28,218	1	(43,642)	(2)
3490	Other equity	(712,287)	(31)	(768,745)	(35)
3XXX	Total equity	<u>1,828,509</u>	<u>79</u>	<u>1,828,997</u>	<u>82</u>
	Total liabilities and equity	<u>\$ 2,306,648</u>	<u>100</u>	<u>\$ 2,220,917</u>	<u>100</u>

The attached notes are an integral part of this parent-company only financial report.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

Coxon Precise Industrial Co., Ltd.

Parent Company Only Statement of Comprehensive Income

January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand, but earnings (loss) per share is NT\$

Code		2024		2023	
		Amount	%	Amount	%
4000	Net operating revenue (Notes 18 and 24)	\$ 994,345	100	\$ 822,778	100
5000	Operating costs (Notes 10, 19 and 24)	(937,084)	(94)	(787,007)	(95)
5900	Operating profits	57,261	6	35,771	5
	Operating expenses (Notes 9 and 19)				
6100	Selling and marketing expenses	(4,916)	(1)	(4,154)	(1)
6200	Administrative expenses	(27,799)	(3)	(33,299)	(4)
6300	Research and development expenses	(1,015)	-	(1,281)	-
6450	Expected recovery gains from credit impairment (loss)	(302)	-	93	-
6000	Total operating expenses	(34,032)	(4)	(38,641)	(5)
6900	Operating profit (loss)	23,229	2	(2,870)	-
	Non-operating income and expenses (Notes 19 & 24)				
7100	Interest income	14,322	1	10,795	1
7020	Other gains	8,065	1	4,207	1
7070	Share of loss of associates and joint ventures	(24,374)	(2)	(56,253)	(7)
7000	Total non-operating income and expenses	(1,987)	-	(41,251)	(5)
7900	Profit (loss) before tax	21,242	2	(44,121)	(5)
7950	Income tax expense (Note 20)	(785)	-	(94)	-
8200	Net profit (loss) for the year	20,457	2	(44,215)	(5)

(continued)

(continued)

Code		2024		2023	
		Amount	%	Amount	%
	Other comprehensive income (Notes 16 and 17)				
8310	Items that may not be reclassified subsequently to profit or loss:				
8311	Remeasurements of defined benefit plans	\$ 7,761	1	\$ 573	-
8316	Unrealized Gain (Loss) on Equity Instruments at Fair Value Through Other Comprehensive Income	(7,111)	(1)	(11,679)	(1)
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating foreign operations	<u>63,569</u>	<u>7</u>	(<u>20,888</u>)	(<u>3</u>)
8300	Other comprehensive income/loss for the year, net of income tax	<u>64,219</u>	<u>7</u>	(<u>31,994</u>)	(<u>4</u>)
8500	Total Comprehensive Loss for the Year	<u>\$ 84,676</u>	<u>9</u>	(<u>\$ 76,209</u>)	(<u>9</u>)
	Earnings (losses) per share (Note 21)				
	From continuing operations				
9710	Basic	<u>\$ 0.17</u>		(<u>\$ 0.36</u>)	
9810	Diluted	<u>\$ 0.17</u>		(<u>\$ 0.36</u>)	

The attached notes are an integral part of this parent-company only financial report.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
Coxon Precise Industrial Co., Ltd.
Parent Company Only Statement of Changes in Equity
January 1 to December 31, 2024 and 2023

Units: NT\$thousand

		Share capital		Retained earnings		Other equity		
Code		Number of shares (thousand shares)	Ordinary shares	Capital surplus	Accumulated deficits	Exchange differences on translating foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total equity
A1	Balance on January 1, 2023	121,662	\$ 1,216,622	\$ 1,806,253	(\$ 259,881)	(\$ 633,406)	(\$ 102,772)	\$ 2,026,816
C11	Capital surplus used to compensate deficit	-	-	(259,881)	259,881	-	-	-
C15	Cash dividend distributed from capital surplus	-	-	(121,662)	-	-	-	(121,662)
C17	Profit from exercising the vesting rights	-	-	52	-	-	-	52
D1	2023 net loss	-	-	-	(44,215)	-	-	(44,215)
D3	Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	573	(20,888)	(11,679)	(31,994)
D5	Total comprehensive income in 2023	-	-	-	(43,642)	(20,888)	(11,679)	(76,209)
Z1	Balance at December 31, 2023	121,662	1,216,622	1,424,762	(43,642)	(654,294)	(114,451)	1,828,997
C11	Capital surplus used to compensate deficit	-	-	(43,642)	43,642	-	-	-
C15	Cash dividend distributed from capital surplus	-	-	(85,164)	-	-	-	(85,164)
D1	Net profit for 2024	-	-	-	20,457	-	-	20,457
D3	Other comprehensive income after tax for 2024	-	-	-	7,761	63,569	(7,111)	64,219
D5	Total comprehensive income for 2024	-	-	-	28,218	63,569	(7,111)	84,676
Z1	Balance at December 31, 2024	121,662	\$ 1,216,622	\$ 1,295,956	\$ 28,218	(\$ 590,725)	(\$ 121,562)	\$ 1,828,509

The attached notes are an integral part of this parent-company only financial report.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
Coxon Precise Industrial Co., Ltd.
Parent Company Only Cash Flow Statement
January 1 to December 31, 2024 and 2023

Units: NT\$ thousand

Code		2024	2023
	Cash Flows from Operating Activities		
A10000	Net profit (loss) before tax for the year	\$ 21,242	(\$ 44,121)
A20010	Profit/loss		
A20100	Depreciation expenses	6,759	9,352
A20200	Amortization expenses	1,151	1,052
A20300	Expected credit impairment loss (reversal gain)	302	(93)
A21200	Interest income	(14,322)	(10,795)
A21300	Dividend income	(588)	(643)
A22400	Share of income/loss of associates and joint ventures	24,374	56,253
A22500	Gains from disposal of property, plant and equipment	(3,020)	(1,071)
A22600	Impairment loss of property, plant and equipment	542	-
A23200	Loss on disposal of investments accounted for using the equity method	11,481	-
A23700	Gain from value recovery of inventory	(910)	(1,400)
A24100	Unrealized losses on foreign exchange	(53)	3,292
A30000	Changes in operating assets and liabilities		
A31150	Trade receivables	(169,372)	(52,982)
A31180	Other receivables	491	60
A31200	Inventory	2,954	6,252
A31240	Other Current Asset	604	1,430
A32125	Contract liabilities - current	1,155	(2,559)
A32130	Notes payable	-	(525)
A32150	Trade payables	84,967	61,815
A32180	Other payables	(1,161)	(1,507)
A32200	Provisions	(459)	223
A32230	Other current liabilities	2	(4)
A32240	Net defined benefit liabilities	(900)	(513)
A33000	Cash generated (outflow) from operations	(34,761)	23,516
A33100	Interest received	14,431	10,298
A33200	Dividends received	588	643
A33500	Income tax paid	(1,321)	(828)
AAAA	Net cash inflows (outflows) from operating activities	(21,063)	33,629

(continued)

(continued)

Code		2024	2023
	Cash Flows from Investing Activities		
B00040	Purchase of financial assets at amortized cost	\$ -	(\$ 81,421)
B00050	Proceeds from disposal of financial assets at amortized cost	187,605	105,836
B02300	Net cash inflow on disposal of subsidiaries	48,203	-
B02400	Proceeds from capital reduction in investees using the equity method	-	91,185
B02700	Payments for property, plant and equipment	(1,051)	(5,338)
B02800	Disposal of property, plant and equipment	4,547	1,295
B07100	Increase in prepayment of equipment	(123)	-
B04500	Payments for intangible assets	(<u>1,454</u>)	(<u>1,632</u>)
BBBB	Net cash generated from investing activities	<u>237,727</u>	<u>109,925</u>
	Cash Flows from Financing Activities		
C04500	Cash distributions from capital surplus	(85,164)	(121,662)
C09900	Exercise of vesting rights	<u>-</u>	<u>52</u>
CCCC	Net cash used in financing activities	(<u>85,164</u>)	(<u>121,610</u>)
EEEE	Net increase (decrease) in cash and cash equivalents for the year	131,500	21,944
E00100	Cash and cash equivalents at the beginning of the year	<u>183,407</u>	<u>161,463</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 314,907</u>	<u>\$ 183,407</u>

The attached notes are an integral part of this parent-company only financial report.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
Coxon Precise Industrial Co., Ltd.
Notes to parent company only financial statements
January 1 to December 31, 2024 and 2023
(In NT\$ thousand, Unless Stated Otherwise)

I. General Information

Coxon Precise Industrial Co., Ltd. (the “Company”) was incorporated in the Republic of China (ROC) in June 1989. The Company mainly manufactures, packages and sells all kinds of molds, metal and plastic components; develops, manufactures, and sells all kinds of electronics, motors and components, imports and exports the above mentioned products and raw materials, and makes relevant investments. The Company’s shares were previously listed on the Taipei Exchange (formerly the Taiwan GreTai Securities Market) since January 2008 and has now been listed on the Taiwan Stock Exchange (TWSE) since October 28, 2009.

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

II. Approval Dates and Procedures of Financial Statements

This parent-company only financial report was approved by the Board of Directors on March 13, 2015.

III. Application of New, Amended and Revised Standards and Interpretations

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

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

- (II) The IFRSs endorsed by Financial Supervisory Commission (FSC) for application starting from 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 1)
The amendment regarding the application guidance of financial asset classification in the amendment to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026 (Note 2)

Note 1: Applicable to annual reporting periods beginning on or after January 1, 2025.

When the amendments are initially applied, the comparison period shall not be restated, but the effect shall be recognized in the exchange difference of the foreign operation under the retained earnings or equity on the date of initial application (as appropriate) and the related assets and liabilities affected.

Note 2: Applicable to annual reporting periods beginning on or after January 1, 2026.

Corporates may elect to apply such early from January 1, 2025. When the amendment is initially applied, the application is retrospective but the comparison period needs not to be restated, and the effect of the initial application shall be recognized on the date of initial application. However, if the corporate is able to restate without hindsight, it may elect to restate the comparison period.

As of the publication date of the parent-company only financial statements, the Company continues to evaluate the impact of the amendments to the above standards and interpretations on the financial position and financial performance, and will disclose the relevant impact when the evaluation is completed.

(III) New IFRSs in issue by IASB but not yet endorsed and issued into effect by the FSC

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

Note 1: Unless stated otherwise, the above new, amended and revised standards and interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of Financial Statements." The main changes include:

- The income statement shall classify the income and expenses into operating, investment, financing, income tax and discontinued operations.
- The income statement shall report the operating income, pre-tax income before financing, and the subtotal and total of profit and loss.
- Provide guidance on the aggregation and disaggregation rules: the Company must identify the assets, liabilities, equity, income, expenses and cash flows generated from

individual transactions or other matters, and classify and aggregate them based on the common characteristics, so that at least one of the items in the financial statements has a similar characteristic. Items with non-similarity characteristics in the main financial statements and notes should be divided. The Company only marks such items as "others" when it is impossible to find a more information sign.

- Adding the disclosure of the performance measurement defined by the management: when the Group has any public communications other than the financial statements, and communicate the management's view in a certain aspect for the overall financial performance of the Group, it shall disclose the relevant information of the performance measurement defined by the management in one single note to the financial statements, including the description of the measurement, how to calculate, their reconciliations with the subtotals or totals specified by IFRSs, and the impacts of the income tax and non-controlling interests of the relevant reconciled items.

As of the publication date of the parent-company only financial statements, the Company continues to evaluate the impact of the amendments to the above standards and interpretations on the financial position and financial performance, and will disclose the relevant impact when the evaluation is completed.

IV. Summary of Significant Accounting Policies

(I) Statement of compliance

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

(II) Basis of preparation

Except for the 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 the plan assets, this parent-company only financial report is prepared on the historical cost basis.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

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

For the preparation of the parent company only financial report, the Company adopts the equity method for investments on subsidiaries, affiliates and joint-venture interests. Taking

into account the comparative difference between parent company only and consolidated financials, for the current year's profit and loss, other comprehensive income and equity in this parent company only financial report to be equivalent to those attributable to the owners of the company in the consolidated financial report, the related equity items shall be adjusted, including the "investments using the equity method", "share of profit/loss of subsidiaries, associates and joint ventures using the equity method", "share of other comprehensive income of subsidiaries, associates and joint ventures using the equity method".

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

Current assets include:

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

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities due to be settled within 12 months after the reporting period (even if a long-term payment agreement to refinance, or to rearranged is completed after the balance sheet date and before the financial statements are approved for release); and
3. Liabilities without substantial right on the balance sheet date to defer settlement for at least 12 months after the reporting period.

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

(IV) Foreign currencies

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

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

Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the year. However, where fair value movements are recognized in other comprehensive income, the resulting currency translation differences are also recognized in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction (i.e., not retranslated).

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

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

(V) Inventory

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

(VI) Investment in subsidiaries

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

An associate is an entity over which the Company has significant influence.

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

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

When the Company's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the

equity method and long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses.

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

The entire carrying amount of an investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases. The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior periods. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. In addition, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Unrealized profits or losses on downstream transactions with subsidiaries are eliminated in the parent company only financial statements. Profits and losses on transactions with subsidiaries other than downstream are recognized in parent company only financial statements only to the extent of interests in the subsidiary that are not related to the Company.

(VII) Property, plant and equipment

Property, plant and equipment including assets held under finance leases and bearer plants are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The Company conducts at least one annual review at the end of each year to assess the estimated useful life, residual value, and depreciation methods, and applies the effect of changes in applicable accounting estimates prospectively.

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

(VIII) Intangible assets

1. Intangible assets acquired separately

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

2. Derecognition

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

(IX) Impairment of assets related to property, plant and equipment, right-of-use assets, and intangible assets

The Company evaluates, at each balance sheet date, whether there is any indication that property, plant and equipment, right-of-use assets and intangible assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

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

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

(X) Financial instruments

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

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

1. Financial assets

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

(1) Measurement categories

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

A. Financial assets at amortized cost

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

- a. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b. The contractual terms generate cash flows on the certain date, and such cash flows are solely for the payment of the principal and interest on the principal amount outstanding.

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

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

- a. Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets.
- b. Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income

is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

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

B. Investments in equity instruments at fair value through other comprehensive income

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

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

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

(2) Impairment of financial assets

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

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

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

(3) Derecognition of financial assets

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount is recognized in profit or loss. On disposal of the investments in equity instruments at fair value through other comprehensive income, the cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

2. Financial liabilities

(1) Subsequent measurement

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

(2) Derecognition of financial liabilities

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

(XI) Liability provision

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

(XII) Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied. For contracts where the period between the date on which the Company transfers a promised good or service to a customer and the date on which the customer pays for that

good or service is one year or less, the Company does not adjust the promised amount of consideration for the effects of a significant financing component.

Revenue from the sale of goods

Revenue from the sale of goods comes from manufacturing, processing, and sales of molds, a parts and plastic molding fixtures. Sales of goods are recognized as revenue when the goods are shipped since it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently. Receipts in advance are recognized as contract liabilities before the goods are shipped.

The Company does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

(XIII) Lease

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

For a contract that contains a lease component and non-lease components, the Company allocates the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

The Company as lessee

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

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

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. If ownership of the underlying asset will be acquired by the end of the lease term, or if the cost of the right-of-use asset reflects the exercising of a purchase option, the right-of-use assets are depreciated from the commencement dates to the end of the useful lives of the right-of-use assets.

Lease liabilities are initially measured at the present value of the lease payments (which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable). The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

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

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

(XIV) Borrowing costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

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

(XV) Employee benefits

1. Short-term employee benefits

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

2. Retirement benefits

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

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost, including current service cost and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs.

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

3. Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that remeasurement is recognized in profit or loss.

4. Termination benefits

A liability for a termination benefit is recognized (at the earlier of) when the Company can no longer withdraw the offer of the termination benefit and when the Company recognizes any related restructuring costs.

(XVI) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

1. Current income tax

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

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

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

2. Deferred income tax

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

Deferred tax liabilities are generally recognized for all taxable temporary differences.

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

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

3. Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

V. Major sources of uncertainty in significant accounting judgments, estimates and assumptions

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

When the Company develops significant accounting estimates, it will be included in the consideration of cash flow estimates, growth rates, discount rates, profitability, and other relevant major estimates. Management will continue to review the estimates and basic assumptions.

VI. Cash and cash equivalents at the end of the year

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash and Cash Equivalents	\$ 100	\$ 100
Checking accounts and demand deposits	38,149	53,271
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	<u>276,658</u>	<u>130,036</u>
	<u>\$ 314,907</u>	<u>\$ 183,407</u>

As of December 31, 2024 and 2023, the time deposit interest rates are 1.285%~4.38%, and 3.05%~5.5%, respectively.

VII. Financial assets measured at fair value through other comprehensive income

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Current</u>		
Foreign investments		
Listed shares and emerging market shares		
Fuji Seiki Co., Ltd.	\$ 21,725	\$ 30,006
Unlisted shares		
Halo Neuro Inc.	<u>-</u>	<u>-</u>
	<u>\$ 21,725</u>	<u>\$ 30,006</u>
<u>Non-current</u>		
Domestic investments		
Unlisted shares		
Simpla Biotech Co., Ltd.	\$ -	\$ -
Cimforce International Limited	-	-
Kin Tin Optotronic Co., Ltd.	-	-
Foreign investments		
Unlisted shares		
CGK International Co., Ltd.	<u>9,180</u>	<u>8,010</u>
Total	<u>\$ 9,180</u>	<u>\$ 8,010</u>

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

VIII. Financial assets at amortized cost

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Current</u>		
Domestic investments		
Time deposits with original maturities of more than three months	<u>\$ 8,700</u>	<u>\$ 196,305</u>

As of December 31, 2024 and 2023, the interest rate ranges for time deposits with original maturities over 3 months were 1.435% and 1.31% to 5% per annum, respectively.

IX. Trade Receivables and Other Receivables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Trade receivables</u>		
Trade receivables - unrelated parties	\$ 414,853	\$ 236,608
Trade receivables - related parties	23	-
Less: Allowance for impairment loss	(<u>252</u>)	(<u>12</u>)
	<u>\$ 414,624</u>	<u>\$ 236,596</u>
<u>Other receivables</u>		
Others	\$ 489	\$ 682
Other receivables - related parties	<u>4,073</u>	<u>2,886</u>
	<u>\$ 4,562</u>	<u>\$ 3,568</u>

Trade receivables at amortized cost

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

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

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

The following table details the loss allowance of trade receivables based on the Company's provision matrix:

December 31, 2024

	Trade receivables				Overdue receivables
	Not past due	Overdue 0 to 30 days	Overdue 31 to 90 days	Overdue 91 to 180 days	Overdue over 180 days
Gross carrying amount	\$ 405,961	\$ 2,555	\$ 5,604	\$ 756	\$ 414,876
Loss allowance (lifetime ECL)	(81)	(28)	(116)	(27)	(62)
Amortized cost	<u>\$ 405,880</u>	<u>\$ 2,527</u>	<u>\$ 5,488</u>	<u>\$ 729</u>	<u>\$ 414,624</u>

December 31, 2023

	Trade receivables				Overdue receivables
	Not past due	Overdue 0 to 30 days	Overdue 31 to 90 days	Overdue 91 to 180 days	Overdue over 180 days
Gross carrying amount	\$ 231,546	\$ 4,960	\$ 102	\$ -	\$ 236,608
Loss allowance (lifetime ECL)	-	(6)	(6)	-	(12)
Amortized cost	<u>\$ 231,546</u>	<u>\$ 4,954</u>	<u>\$ 96</u>	<u>\$ -</u>	<u>\$ 236,596</u>

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

	2024		2023	
	Trade receivables	Overdue receivables	Trade receivables	Overdue receivables
Balance at January 1	\$ 12	\$ -	\$ 105	\$ -
Add: Impairment loss provided for the year	240	62	-	-
Less: Reversal of impairment loss for the year	-	-	(93)	-
Balance at December 31	<u>\$ 252</u>	<u>\$ 62</u>	<u>\$ 12</u>	<u>\$ -</u>

X. Inventory

	December 31, 2024	December 31, 2023
Raw materials	\$ 1,743	\$ 1,414
Work in progress (including molds)	573	2,201
Finished goods	<u>1,667</u>	<u>2,412</u>
	<u>\$ 3,983</u>	<u>\$ 6,027</u>

The cost of sales related to inventories for the years ended December 31, 2024 and 2023 was NT\$937,084 thousand and NT\$787,007 thousand, respectively. Cost of sales included inventory recovery gains of NT\$910 thousand and NT\$1,400 thousand, respectively.

As of December 31, 2024 and 2023, the allowance for decline in value of inventories amounted to NT\$1,399 thousand and NT\$2,309 thousand, respectively.

XI. Investments accounted for using the equity method

Investments in associates

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Unlisted company		
Coxon Industry Ltd.	\$ 462,909	\$ 493,812
Evergiant Trading Enterprise Co., Ltd.	970,672	913,427
Plenty Link Technology Co., Ltd.	<u>-</u>	<u>46,831</u>
	<u>\$ 1,433,581</u>	<u>\$ 1,454,070</u>
	<u>Percentage of Ownership Interest and Voting Rights</u>	
<u>Name of Associate</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Unlisted company		
Coxon Industry Ltd.	100%	100%
Evergiant Trading Enterprise Co., Ltd.	100%	100%
Plenty Link Technology Co., Ltd.	-	65%

The Company liquidated Plenty Link Technology Co., Ltd. on June 25, 2024.

Please refer to Note 27 for details of the Company's invested subsidiaries indirectly held.

XII. Property, plant and equipment

	Freehold Land	Buildings	Machinery	Transportati on Equipment	Office Equipment	Other Equipment	Total
<u>Cost</u>							
Balance on January 1, 2024	\$ 79,244	\$ 101,399	\$ 167,921	\$ 11,214	\$ 20,679	\$ 10,721	\$ 391,178
Additions	-	84	666	595	180	212	1,737
Disposals	-	-	(34,498)	(1,335)	-	-	(35,833)
Balance at December 31, 2024	<u>\$ 79,244</u>	<u>\$ 101,483</u>	<u>\$ 134,089</u>	<u>\$ 10,474</u>	<u>\$ 20,859</u>	<u>\$ 10,933</u>	<u>\$ 357,082</u>
<u>Accumulated depreciation and impairment</u>							
Balance on January 1, 2024	\$ 18,812	\$ 76,822	\$ 157,280	\$ 11,214	\$ 17,117	\$ 10,449	\$ 291,694
Depreciation expenses	-	1,181	4,368	60	989	161	6,759
Disposals	-	-	(31,377)	(1,335)	-	-	(32,712)
Impairment loss	-	-	542	-	-	-	542
Balance at December 31, 2024	<u>\$ 18,812</u>	<u>\$ 78,003</u>	<u>\$ 130,813</u>	<u>\$ 9,939</u>	<u>\$ 18,106</u>	<u>\$ 10,610</u>	<u>\$ 266,283</u>
Net amount as of December 31, 2024	<u>\$ 60,432</u>	<u>\$ 23,480</u>	<u>\$ 3,276</u>	<u>\$ 535</u>	<u>\$ 2,753</u>	<u>\$ 323</u>	<u>\$ 90,799</u>
<u>Cost</u>							
Balance on January 1, 2023	\$ 79,244	\$ 101,399	\$ 173,805	\$ 12,199	\$ 29,953	\$ 10,509	\$ 407,109
Additions	-	-	1,061	-	2,930	212	4,203
Disposals	-	-	(6,945)	(985)	(12,204)	-	(20,134)
Balance at December 31, 2023	<u>\$ 79,244</u>	<u>\$ 101,399</u>	<u>\$ 167,921</u>	<u>\$ 11,214</u>	<u>\$ 20,679</u>	<u>\$ 10,721</u>	<u>\$ 391,178</u>
<u>Accumulated depreciation and impairment</u>							
Balance on January 1, 2023	\$ 18,812	\$ 75,678	\$ 157,006	\$ 12,199	\$ 28,359	\$ 10,198	\$ 302,252
Depreciation expenses	-	1,144	6,995	-	962	251	9,352
Disposals	-	-	(6,721)	(985)	(12,204)	-	(19,910)
Balance at December 31, 2023	<u>\$ 18,812</u>	<u>\$ 76,822</u>	<u>\$ 157,280</u>	<u>\$ 11,214</u>	<u>\$ 17,117</u>	<u>\$ 10,449</u>	<u>\$ 291,694</u>
Net as of December 31, 2023	<u>\$ 60,432</u>	<u>\$ 24,577</u>	<u>\$ 10,641</u>	<u>\$ -</u>	<u>\$ 3,562</u>	<u>\$ 272</u>	<u>\$ 99,484</u>

The depreciated expenses are based on a straight-line basis over the estimated useful life of the asset:

Buildings	
Main buildings	10-50 years
Electric equipment	10-20 years
Engineering systems	10-20 years
Machinery	1-9 years
Transportation Equipment	5-6 years
Office Equipment	1-8 years
Other Equipment	2-20 years

XIII. Account payables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Trade payables - operating</u>		
Unrelated party	\$ 233,120	\$ 177,476
Related party	<u>218,285</u>	<u>180,057</u>
	<u>\$ 451,405</u>	<u>\$ 357,533</u>

Trade payables were paid according to the condition of contract or billings from the suppliers. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

XIV. Other payables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Current</u>		
Other payables		
Salaries or bonuses	\$ 4,888	\$ 6,034
Remunerations of employees and directors payable	1,569	-
Payable for processing fees	5	714
Others	<u>7,685</u>	<u>8,560</u>
	<u>\$ 14,147</u>	<u>\$ 15,308</u>

XV. Liability provision - current

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Employee benefits	<u>\$ 1,658</u>	<u>\$ 2,117</u>

The provision for employee benefits represents annual vacations taken by employees.

XVI. Retirement benefits plan

(I) Defined contribution plans

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

(II) Defined benefit plans

The defined benefit plans adopted by the Company in accordance with the Labor Standards Act is operated by the government of the R.O.C. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement.

The Company contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor; the Company has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Company's defined benefit plans were as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Present value of defined benefit obligation	\$ 40,223	\$ 51,747
Fair value of plan assets	(<u>37,924</u>)	(<u>40,787</u>)
Deficit	<u>2,299</u>	<u>10,960</u>
Net defined benefit liabilities	<u>\$ 2,299</u>	<u>\$ 10,960</u>

Movements in net defined benefit liabilities were as follows:

	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liabilities</u>
January 1, 2024	<u>\$ 51,747</u>	(<u>\$ 40,787</u>)	<u>\$ 10,960</u>
Current service cost	116	-	116
Net interest expense (income)	<u>647</u>	(<u>515</u>)	<u>132</u>
Recognized in profit or loss	<u>763</u>	(<u>515</u>)	<u>248</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(3,545)	(3,545)
Actuarial gain - changes in financial assumptions	(1,515)	-	(1,515)
Actuarial gains - experience adjustment	(<u>2,701</u>)	<u>-</u>	(<u>2,701</u>)

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
Recognized in other comprehensive income	(<u>4,216</u>)	(<u>3,545</u>)	(<u>7,761</u>)
Benefits paid	(<u>8,071</u>)	<u>8,071</u>	-
Contributions from the employer	<u>-</u>	(<u>1,148</u>)	(<u>1,148</u>)
December 31, 2024	<u>\$ 40,223</u>	(<u>\$ 37,924</u>)	<u>\$ 2,299</u>
January 1, 2023	<u>\$ 51,196</u>	(<u>\$ 39,150</u>)	<u>\$ 12,046</u>
Current service cost	<u>112</u>	-	<u>112</u>
Net interest expense (income)	<u>768</u>	(<u>594</u>)	<u>174</u>
Recognized in profit or loss	<u>880</u>	(<u>594</u>)	<u>286</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(<u>244</u>)	(<u>244</u>)
Actuarial losses - Changes in financial assumptions	<u>1,294</u>	-	<u>1,294</u>
Actuarial gains - experience adjustment	(<u>1,623</u>)	<u>-</u>	(<u>1,623</u>)
Recognized in other comprehensive income	(<u>329</u>)	(<u>244</u>)	(<u>573</u>)
Contributions from the employer	<u>-</u>	(<u>799</u>)	(<u>799</u>)
December 31, 2023	<u>\$ 51,747</u>	(<u>\$ 40,787</u>)	<u>\$ 10,960</u>

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

1. Investment risk: The Bureau of Labor Fund Utilization of the Ministry of Labor invests the labor pension fund in the onshore and offshore equity securities, debt securities and bank deposits respectively through its own utilization and commissioned operation, provided that the Company's plan assets may distribute the gain calculated at a rate not lower than the 2-year time deposit interest rate of local banks.
2. Interest rate risk: the impact of the net defined benefit liability will be partially offset by an increase in the present value of the defined benefit obligation as the interest rates of government bonds decline, but the return on debt investment of the plan assets will also increase.
3. Salary Risk: The present value of the defined benefit obligation is computed with reference to the future salary of the plan member. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount rate	1.625%	1.250%
Expected rate of salary increase	2.000%	2.000%

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount rate		
0.25% increase	(\$ 969)	(\$ 1,294)
0.25% decrease	<u>\$ 1,001</u>	<u>\$ 1,340</u>
Expected rate of salary increase		
0.25% increase	<u>\$ 979</u>	<u>\$ 1,306</u>
0.25% decrease	(<u>\$ 952</u>)	(<u>\$ 1,268</u>)

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Expected contributions to the plans for the next year	<u>\$ 660</u>	<u>\$ 805</u>
Average duration of the defined benefit obligation	9.9 years	10.2 years

XVII. Equity

(I) Ordinary Shares

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Number of shares authorized (in thousands)	<u>210,000</u>	<u>210,000</u>
Shares authorized	<u>\$ 2,100,000</u>	<u>\$ 2,100,000</u>
Number of shares issued and fully paid (in thousands)	<u>121,662</u>	<u>121,662</u>
Shares issued	<u>\$ 1,216,622</u>	<u>\$ 1,216,622</u>

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

There were 12,000 thousand shares of the Company's shares authorized which were reserved for the issuance of employee share options.

(II) Capital surplus

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>May be used to offset a deficit,</u> <u>distributed as cash dividends,</u> <u>or transferred to share capital</u> <u>(Note)</u>		
Issuance of ordinary shares	\$ 887,712	\$ 1,016,466
Conversion of bonds	408,244	408,244
<u>Only to be used to offset the loss</u>		
Profit from exercising the vesting rights	<u>-</u>	<u>52</u>
	<u>\$ 1,295,956</u>	<u>\$ 1,424,762</u>

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

(III) Retained earnings and dividend policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. In accordance with Paragraph 5, Article 240 of the Company Act, the Company may authorize the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; or distribute its legal reserve and the following capital reserve, in whole or in part by cash according to Paragraph 1, Article 241 of the Company Act; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. For the employees and directors' remuneration distribution policy stipulated in the Articles of Incorporation of the Company, please refer to Note 19 (4) Employees' and Directors' Remuneration

To ensure that the Company has funds for its present and future expansion plans, the Company prefers to distribute mixed share dividends and cash dividends as shareholders' bonus among which share dividend is distributed from 0% to 50% and cash dividends from 100% to 50%. The distribution policy would be adjusted depending on the operating conditions, industry developments, capital requirement and so forth.

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

When the Company set aside special reserve for the cumulative amount of other equity net deductions in the preceding period, the Company shall set aside corresponding amount of special reserve from the past undistributed retained earnings.

On June 27, 2024 and June 27, 2023, the regular shareholders' meeting of the Company resolved to offset the loss with capital reserves of NT\$43,642 thousand and NT\$259,881 thousand, respectively.

On March 13, 2025, the Board of Directors of the Company proposed the distribution of earnings for the 2024 as follows:

	2024
Legal reserves	\$ <u>2,822</u>
Special reserves	\$ <u>25,396</u>

On March 14, 2024 and March 24, 2023, the Board of Directors of the Company resolved to distribute NT\$85,164 thousand and NT\$121,662 thousand from the capital reserve in cash, and reported at the shareholders' meeting on June 27, 2024 and June 27, 2023, respectively.

On March 13, 2025, the Board of Directors of the Company resolved to distribute NT\$85,164 thousand in cash from the capital reserve, and it is expected to be reported at the regular shareholders' meeting on June 26, 2025.

The proposal for the distribution of earnings for 2024 is subject to the resolution of the regular shareholders' meeting expected to be convened on June 26, 2025.

(IV) Other equity items

1. Translation differences in the financial statements of foreign operations

	2024	2023
Balance at January 1	(\$ 654,294)	(\$ 633,406)
In respect of the current year		
- Exchange differences on translating foreign operations	75,050	(20,888)
Reclassification adjustments		
- Translation of foreign operations	(<u>11,481</u>)	<u>-</u>
Balance at December 31	(\$ <u>590,725</u>)	(\$ <u>654,294</u>)

2. Unrealized gains and losses on the financial assets at fair value through other comprehensive income

	2024	2023
Balance at January 1	(\$ 114,451)	(\$ 102,772)
Unrealized (loss) gain - equity instruments	(7,111)	(11,679)
Balance at December 31	(\$ 121,562)	(\$ 114,451)

XVIII. Revenue

	2024	2023
Revenue from contracts with customers		
Plastic components	\$ 445,653	\$ 451,648
Molds	22,471	19,297
Others	526,221	351,833
	<u>\$ 994,345</u>	<u>\$ 822,778</u>

Contract balance

	December 31, 2024	December 31, 2023	January 1, 2023
Trade receivables	<u>\$ 414,601</u>	<u>\$ 236,596</u>	<u>\$ 193,954</u>
Trade receivables - related parties	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ -</u>
Contract liabilities			
Receipts in advance	<u>\$ 1,170</u>	<u>\$ 15</u>	<u>\$ 2,574</u>

During the years ended December 31, 2024 and 2023, the revenue from customer contracts transferred from contract liabilities was NT\$15 thousand and NT\$2,574 thousand, respectively.

XIX. Net profit from continuing operations

(I) Interest income

	2024	2023
Bank deposits	<u>\$ 14,322</u>	<u>\$ 10,795</u>

(II) Other gains

	2024	2023
Net gain (loss) from foreign exchange	\$ 14,784	(\$ 5,327)
Miscellaneous income	1,696	7,833
Dividend income	588	643
Gains on disposal and scrapping of property, plant and equipment	3,020	1,071
Impairment loss of property, plant and equipment	(542)	-
Loss on disposal of investments accounted for using the equity method	(11,481)	-
Miscellaneous expenses	<u>-</u>	(<u>13</u>)
	<u>\$ 8,065</u>	<u>\$ 4,207</u>

(III) Depreciation, amortization and employee benefit expenses

	2024			2023		
	Attributable to Operating Costs	Attributable to Operating Expenses	Total	These attributed to operation costs	Attributable to Operating Expenses	Total
Short-term employee benefits						
Salary expenses	\$ 25,329	\$ 14,519	\$ 39,848	\$ 31,915	\$ 14,270	\$ 46,185
Employee insurance premiums	3,186	1,753	4,939	3,464	1,769	5,233
Retirement benefits						
Defined contribution plans	917	466	1,383	1,150	4,691	5,841
Defined benefit plan (Note 16)	46	202	248	51	235	286
Remuneration for directors	-	1,560	1,560	-	1,360	1,360
Other employee benefits	<u>1,952</u>	<u>1,065</u>	<u>3,017</u>	<u>1,913</u>	<u>878</u>	<u>2,791</u>
Total employee benefits expense	<u>\$ 31,430</u>	<u>\$ 19,565</u>	<u>\$ 50,995</u>	<u>\$ 38,493</u>	<u>\$ 23,203</u>	<u>\$ 61,696</u>
Depreciation expenses	<u>\$ 5,045</u>	<u>\$ 1,714</u>	<u>\$ 6,759</u>	<u>\$ 7,711</u>	<u>\$ 1,641</u>	<u>\$ 9,352</u>
Amortization expenses	<u>\$ -</u>	<u>\$ 1,151</u>	<u>\$ 1,151</u>	<u>\$ -</u>	<u>\$ 1,052</u>	<u>\$ 1,052</u>

1. As of December 31, 2024 and 2023, there were a total of 70 and 76 employees, respectively, in the Company; of which, there were 4 directors and 4 directors, respectively, who were not employees concurrently. The basis of calculation was consistent with the employee benefits expense.
2. The average employee benefits expenses for 2024 and 2023 were NT\$749 thousand and NT\$838 thousand, respectively.
3. The average employee salary expenses for 2024 and 2023 were NT\$604 thousand and NT\$641 thousand, respectively.
4. In 2024, the average employee salary expenses was adjusted by 6% less than that in 2020.

5. The remuneration policy for directors, managerial officers, and employees are explained as below:

(1) Directors' remuneration policy

The remuneration for directors shall be distributed by resolution of the board of directors in accordance with Article 30 of the Company's Articles of Incorporation.

(2) Managerial officers' remuneration policy

The managerial officers' remuneration is based on the Company's Manager Officers' Remuneration Policy and System. In addition to referring to the payment standard of industry peers, the Company also takes into account the individual working hours, the responsibilities the manager undertakes, the achievements of personal goals, and the Company's financial status, as well as evaluating the performance of individual managerial officers for the distribution of managerial officers' remuneration. The remuneration for managerial officers is determined by the Remuneration Committee, and will be distributed by resolution of the board of directors.

(3) Employees' remuneration policy

The standard for employee compensation is determined with reference to the salary of industry peers, the Company's operating conditions, and organizational structure. It is timely adjusted according to market salary trends, changes in the overall economy and industrial prosperity, and legal compliance. It also refers to the employee's educational background, professional knowledge and technical skills, seniority and experience, and individual performance.

Bonuses are awarded according to the Company's operating performance and individual employee performance.

(IV) Employees' and directors' remuneration

The Company contributes the employees' remuneration at 3% to 12% of the pre-tax profit before deducting the remuneration of employees and directors for the current year, and not more than 3% of the same as the directors' remuneration. In 2023, the losses occurred, so the estimated employees' and directors'/supervisors' remunerations was NT\$0 thousand, and the employees' and directors' remunerations estimated for 2024 were resolved by the Board of Directors on March 13, 2025 as follows:

Estimated percentage

	2024
Employees' remuneration	6%
Remuneration of directors and supervisors	0.88%

Amount

	<u>2024</u>
Employees' remuneration	\$ <u>1,369</u>
Remuneration of directors and supervisors	\$ <u>200</u>

If there is any change in the amounts after the approval date of the annual parent company only financial statements, the differences are treated as a change in the accounting estimate, and adjusted and accounted for in the next year.

There is no difference between the actual amount of employees' and directors' remunerations for 2023 and 2022 and the amount recognized in the parent-company only financial reports for 2023 and 2022.

For information on employees' and directors' remuneration resolved by the Board of Directors of the Company, please visit the "Market Observation Post System" of the Taiwan Stock Exchange.

XX. Income Tax of Continuing Operations

(I) Income tax recognized in profit or loss

The major components of tax expense were as follows:

	<u>2024</u>	<u>2023</u>
Current tax		
In respect of the current year	\$ -	\$ -
Adjustments for prior years' tax	-	(46)
Deferred tax		
In respect of the current year	<u>785</u>	<u>140</u>
Income tax expense recognized in profit or loss	<u>\$ 785</u>	<u>\$ 94</u>

A reconciliation of accounting income and current income tax expense is as follows:

	<u>2024</u>	<u>2023</u>
Net income (loss) before tax in continuing operations	<u>\$ 21,242</u>	(<u>\$ 44,121</u>)
Loss before income tax based on the income tax benefit at the statutory rate	\$ 4,248	(\$ 8,824)
Investment losses	(1,286)	(2,871)
Unrecognized loss carryforwards/ deductible temporary differences	(4,387)	11,815
Adjustments for prior years' tax	-	(46)
Others	<u>2,210</u>	<u>20</u>
Income tax expense recognized in profit or loss	<u>\$ 785</u>	<u>\$ 94</u>

(II) Current income tax assets

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current tax assets		
Tax refund receivable	<u>\$ 2,211</u>	<u>\$ 890</u>

(III) Deferred tax assets and liabilities

The changes in deferred tax assets and deferred tax liabilities were as follows:

2024

	<u>Balance at January 1</u>	<u>Recognized in profit or loss</u>	<u>Recognized in other comprehensi ve income</u>	<u>Balance at December 31</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Others	<u>\$ 5,945</u>	<u>\$ 785</u>	<u>\$ -</u>	<u>\$ 6,730</u>

2023

	<u>Balance at January 1</u>	<u>Recognized in profit or loss</u>	<u>Recognized in other comprehensi ve income</u>	<u>Balance at December 31</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Others	<u>\$ 5,805</u>	<u>\$ 140</u>	<u>\$ -</u>	<u>\$ 5,945</u>

(IV) Deductible temporary differences and unused deductions for losses of deferred tax assets that are not recognized in the balance sheet

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Loss carryforwards		
Expiry in 2029	\$ 18,637	\$ 21,387
Expiry in 2030	36,428	36,428
Expiry in 2031	20,316	20,316
Expires in 2033	6,665	24,019
Expires in 2034	<u>1,212,303</u>	<u>-</u>
	<u>\$ 1,294,349</u>	<u>\$ 102,150</u>
Loss carryforwards/ deductible temporary differences	<u>\$ 1,213,844</u>	<u>\$ 2,519,543</u>

(V) Income tax assessment status

The profit-seeking enterprise income tax return of the Company has been assessed by the tax collection authority until 2022.

XXI. Earnings (loss) per share

	Units: NT\$ per share	
	2024	2023
Basic earnings (losses) per share		
From continuing operations	\$ <u>0.17</u>	(\$ <u>0.36</u>)
Diluted earnings (losses) per share		
From continuing operations	\$ <u>0.17</u>	(\$ <u>0.36</u>)

The net income (loss) and weighted average number of ordinary shares used to calculate earnings (loss) per share are as follows:

Net profit (loss) for the year

	2024	2023
Net profit (loss) used to calculate basic loss per share	\$ <u>20,457</u>	(\$ <u>44,215</u>)
Used to calculate diluted earnings per share (loss)	\$ <u>20,457</u>	(\$ <u>44,215</u>)

Number of strands Unit: thousand shares

	2024	2023
The weighted average number of ordinary shares outstanding in the computation of basic losses per share:	121,662	121,662
Effect of potentially dilutive ordinary shares:		
Employees' remuneration	<u>73</u>	<u>-</u>
The weighted average number of ordinary shares used to calculate diluted earnings per share	<u>121,735</u>	<u>121,662</u>

Where the Company may elect to pay the employees' remuneration in stock or cash, when the diluted earnings per share is calculated, it is assumed that the employees' remuneration will be paid in stock and the weighted average number of outstanding shares will be included if the potential ordinary shares have a dilutive effect, to calculate the diluted earnings per share. Prior to the resolution of the number of shares to be paid as the employees' remuneration in the following year, when calculating the diluted earnings per share, the dilution effect of these potential ordinary shares will still be taken into account.

XXII. Capital risk management

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

The Company adopts prudent risk management strategy and performs audit on a regular basis. The capital structure of the Company is determined according to the business development

strategies and operational requirements, future growth, development blueprint and capital expenditures required, with subsequent planning for working capital and cash flow.

XXIII. Financial instruments

- (I) Fair value information - financial instruments not measured at fair value: None.
- (II) Fair value information - financial instruments measured at fair value on a recurring basis

1. Fair Value Level

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value through other comprehensive income</u>				
Invest in equity instruments				
Listed shares and emerging market shares	\$ 21,725	\$ -	\$ -	\$ 21,725
Domestic and overseas unlisted shares	-	-	9,180	9,180
	<u>\$ 21,725</u>	<u>\$ -</u>	<u>\$ 9,180</u>	<u>\$ 30,905</u>

December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value through other comprehensive income</u>				
Invest in equity instruments				
Listed shares and emerging market shares	\$ 30,006	\$ -	\$ -	\$ 30,006
Domestic and overseas unlisted shares	-	-	8,010	8,010
	<u>\$ 30,006</u>	<u>\$ -</u>	<u>\$ 8,010</u>	<u>\$ 38,016</u>

There was no transfer between Level 1 and Level 2 fair value measurements in 2024 and 2023.

2. Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

Financial Instrument	Valuation Technique and Inputs
Unlisted ordinary shares - ROC	Measured by market quotations provided by third-party institutions.

3. Reconciliation of financial instruments measured at Level 3 fair value

2024

	Financial assets measured at fair value through other comprehensive income
Balance at January 1	<u>\$ 8,010</u>
Recognized in other comprehensive income	<u>1,170</u>
Balance at December 31	<u>\$ 9,180</u>

2023

	Financial assets measured at fair value through other comprehensive income
Balance at January 1	<u>\$ 14,452</u>
Recognized in other comprehensive income	<u>(6,442)</u>
Balance at December 31	<u>\$ 8,010</u>

(III) Types of financial instruments

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
Financial assets at amortized cost		
Cash and cash equivalents at the end of the year	\$ 314,907	\$ 183,407
Financial assets at amortized cost - current	8,700	196,305
Trade receivables	414,601	236,596
Trade receivables - related parties	23	-
Other receivables	4,562	3,568
Financial assets measured at fair value through other comprehensive income		
Invest in equity instruments - current	21,725	30,006
Invest in equity instruments - non- current	9,180	8,010
<u>Financial liabilities</u>		
Financial liabilities at amortized cost		
Trade payables - non-related parties	233,120	177,476
Trade payables - related parties	218,285	180,057
Payables on equipment	728	42
Other payables - others	14,147	15,308

(IV) Objectives and policies of financial risk management

The Company's main financial instruments include investments in equity and debt instruments, accounts receivable, and accounts payable. The Company's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1. Market risk

(1) Foreign currency exchange rate risk

The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency forward contracts designated as cash flow hedges. In the event of an adverse 1% change in NTD relative to foreign currencies, the Group's net profit after tax for the years 2024 and 2023 will decrease by NT\$2,644 thousand and NT\$2,202 thousand, respectively.

(2) Other price risks

The Company was exposed to equity price risk through its investments in listed equity securities. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments. The Company manages this exposure by maintaining a portfolio of investments with different risks.

Assuming a 5% decrease in the price of equity instruments at the balance sheet date, the net profit after tax of the Company for the years 2024 and 2023 will not be affected as they are classified as financial assets at fair value through other comprehensive income; nonetheless, the other comprehensive income of the Company for the years 2024 and 2023 would have decreased by NT\$1,545 thousand and NT\$1,901 thousand, respectively.

2. Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's credit risk mainly come from accounts receivables generated from operating activities. As at the end of the reporting period, the Company's maximum exposure to credit risk which will cause a financial loss to the Company due to failure of counterparties to discharge an obligation and financial guarantees provided by the Company could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

In order to minimize credit risk, management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced. In addition, the credit risk is limited since the counterparties of liquid funds are all financial institutions and companies with good business credit, and there may be no significant credit risk impacts.

3. Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants. Therefore, with adequate working capital, there is no liquidity risk that arise from inability to raise funding to fulfill contractual obligations.

As of 31 December, 2024 and 2023, the un-drawn bank facilities of the Company amounted to NT\$100,000 thousand and NT\$0 thousand respectively.

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table was drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

December 31, 2024

	<u>Less than 1 year</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>Over 3 years</u>	<u>Total</u>
<u>Non-derivative</u> <u>financial</u> <u>liabilities</u>					
Trade payables - non-related parties	\$ 233,120	\$ -	\$ -	\$ -	\$ 233,120
Trade payables - related parties	218,285	-	-	-	218,285
Payables on equipment	728	-	-	-	728
Other payables - others	14,147	-	-	-	14,147

December 31, 2023

	<u>Less than 1 year</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>Over 3 years</u>	<u>Total</u>
<u>Non-derivative</u>					
<u>financial</u>					
<u>liabilities</u>					
Trade payables - non-related parties	\$ 177,476	\$ -	\$ -	\$ -	\$ 177,476
Trade payables - related parties	180,057	-	-	-	180,057
Payables on equipment	42	-	-	-	42
Other payables - others	15,308	-	-	-	15,308

XXIV. Transactions with related parties

Except for those already disclosed in the note, details of transactions between the Company and related parties are disclosed below:

(I) The names of the related parties and the relationships

<u>Related Party Name</u>	<u>Related Party Categories</u>
Coxon Industry Ltd.	Wholly owned subsidiary
Plenty Link Technology Co., Ltd.	Wholly-reinvested subsidiary (Note 1)
Shuang Ying Science and Technology Co., Ltd.	Wholly-reinvested subsidiary through Plenty Link Technology Co., Ltd. (Note 2)
Dong Guan Shuang-Ying Photoelectric Technology Co., Ltd.	Wholly-reinvested subsidiary through Plenty Link Technology Co., Ltd. (Note 3)
Hang Yuan Enterprise Ltd.	Wholly owned subsidiary through Evergiant Trading Enterprise Co., Ltd.
Coxon Industry (Changshu) Co., Ltd.	Wholly owned subsidiary through Hang Yuan Enterprise Ltd.
Sinxon Plastic (Dong Guan) Ltd.	Wholly owned subsidiary through Coxon Industry Ltd.
Dong Guan Chensong Plastic Co., Ltd.	Wholly-reinvested subsidiary through through Coxon Industry Ltd. (Note 4)
Quanta Computer Inc	Other related party – the company is a third party joint venture partner of Plenty Link Technology Co., Ltd. (Note 5)

Note 1: Liquidated in June 2024.

Note 2: Liquidated in May 2023.

Note 3: Liquidated in June 2024.

Note 4: The company was merged by Sinxon Plastic (Dong Guan) Ltd. in October 2023.

Note 5: Due to the disposal of Plenty Link Technology Co., Ltd. in June 2024, Quanta Computer Inc. and its subsidiaries ceased to be related parties as of the date of liquidation.

(II) Operating revenue

<u>Related Party Name</u>	<u>2024</u>	<u>2023</u>
Coxon Industry (Changshu) Co., Ltd.	\$ <u>11</u>	\$ <u>-</u>

(III) Purchases

Related Party Name	2024	2023
Coxon Industry Ltd.	\$ 278,709	\$ 347,228
Sinxon Plastic (Dong Guan) Ltd.	1,429	1,490
Hang Yuan Enterprise Ltd.	88,938	-
Coxon Industry (Changshu) Co., Ltd.	<u>75,706</u>	<u>841</u>
	<u>\$ 444,782</u>	<u>\$ 349,559</u>

Terms of purchases and payment policy among related parties were similar to those among other suppliers.

(IV) Receivable from related parties (excluding loans to related parties and contract assets)

Line Item	Related Party Name	December 31, 2024	December 31, 2023
Trade receivables	Coxon Industry (Changshu) Co., Ltd.	<u>\$ 23</u>	<u>\$ -</u>
Other receivables	Hang Yuan Enterprise Ltd.	\$ 824	\$ 926
	Sinxon Plastic (Dong Guan) Ltd.	1,605	-
	Coxon Industry Ltd.	<u>1,644</u>	<u>1,960</u>
		<u>\$ 4,073</u>	<u>\$ 2,886</u>

Accounts receivable from related parties at 31 December 2024 and 2023 are not provided for losses.

(V) Payable to related parties (excluding loans from related parties)

Line Item	Related Party Name	December 31, 2024	December 31, 2023
Trade payables	Coxon Industry Ltd.	\$ 125,043	\$ 177,955
	Sinxon Plastic (Dong Guan) Ltd.	-	1,412
	Hang Yuan Enterprise Ltd.	88,955	-
	Coxon Industry (Changshu) Co., Ltd.	<u>4,287</u>	<u>690</u>
		<u>\$ 218,285</u>	<u>\$ 180,057</u>
Other payables	Sinxon Plastic (Dong Guan) Ltd.	<u>\$ 458</u>	<u>\$ -</u>

(VI) Acquisition of property, plant and equipment

Related Party Name	Payment amount	
	2024	2023
Sinxon Plastic (Dong Guan) Ltd.	<u>\$ 447</u>	<u>\$ -</u>

(VII) Disposal of property, plant and equipment

Category/Name of related party	Disposal price		Disposal gains (losses)	
	2024	2023	2024	2023
Sinxon Plastic (Dong Guan) Ltd.	\$ 4,756	\$ -	\$ 4,700	\$ -

(VIII) Transactions with other related parties

Line Item	Related Party Name	2024	2023
Other revenue	Sinxon Plastic (Dong Guan) Ltd.	\$ 51	\$ 5,400
	Coxon Industry (Changshu) Co., Ltd.	11	-
		\$ 62	\$ 5,400

(IX) Compensation of key management personnel

	2024	2023
Short-term employee benefits	\$ 9,280	\$ 9,639
Retirement benefits	532	533
	\$ 9,812	\$ 10,172

The remuneration of directors and key executives was determined by the remuneration committee with regard to the performance of individuals and market trends.

XXV. Information on financial assets and liabilities denominated in foreign currencies with significant impact

The Company's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2024

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
<u>Monetary items</u>			
USD	\$ 23,763	32.785 (USD:NTD)	\$ 779,068
<u>Non-monetary items</u>			
<u>Subsidiaries, associates and joint ventures accounted for using equity method</u>			
USD	43,727	32.785 (USD:NTD)	\$ 1,433,581
Financial liabilities			
<u>Monetary items</u>			
USD	13,682	32.785 (USD:NTD)	\$ 448,552

December 31, 2023

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 20,389	30.705 (USD:NTD)	<u>\$ 626,046</u>
<u>Non-monetary items</u>			
<u>Subsidiaries, associates and joint ventures accounted for using equity method</u>			
USD	47,348	30.705 (USD:NTD)	<u>\$ 1,454,070</u>
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	11,427	30.705 (USD:NTD)	<u>\$ 350,856</u>

For the years ended December 31, 2023 and 2022, (realized and unrealized) net foreign exchange loss and gains were a gain of NT\$14,784 thousand and loss of NT\$5,327 thousand, respectively. It is impractical to disclose net foreign exchange gain or losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies.

XXVI. Material Events after the Reporting Period

In order to supplement the working capital, improve the financial structure, and meet the capital requirements of the Company's future development, the Board of Directors resolved on March 14, 2024 to issue ordinary shares for cash capital increase through a private placement within a limit of 15,000 thousand shares, at NTD 10 per share.

XXVII. Separately Disclosed Items

(I) Information on significant transactions:

1. Loaning of funds to others: Table 1.
2. Endorsements/guarantees to others: None
3. Marketable securities held (excluding investments in subsidiaries, associates and joint ventures): Table 2.
4. Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None.
5. Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None.
6. Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None.

7. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 3.
 8. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4.
 9. Engagement in derivative trading: none.
- (II) Information related to reinvestees: Table 5.
- (III) Information on investment in mainland China:
1. Name of the mainland investee, main businesses, paid-in capital, investment method, status of capital remittance (in and out), shareholding ratio, profit and loss for the period and recognized investment profit and loss, ending carrying amount of investments, repatriated investment profit or loss, and the limits of investments in Mainland China: Table 6.
 2. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Table 3.
 - (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - (3) The amount of property transactions and the amount of the resultant gains or losses.
 - (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - (5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - (6) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.
- (IV) Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 7.
- XVIII. Segment information
- Segment information is not required in the parent company only financial report.

Coxon Precise Industrial Co., Ltd.
Loaning of funds to others
2024

Table 1Units: NT\$ thousand / US\$ thousand / RMB\$ thousand

No.	Lender	Borrower	Financial Statement Account	Related party	Highest Balance for the Year (line of credit)	Ending Balance (line of credit)	Actual Borrowing Amount	Interest rate %	Nature of Financing	Business Transaction Account and Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 1)	Remarks
													Name	Value			
1	Changshu Huaxon Industry Co., Ltd.	Coxon Industry (Changshu) Co., Ltd.	Other receivables	Yes	\$ 124,383	\$ 123,145	\$ 123,145	-	Financing	\$ -	Working capital needs	\$ -	-	\$ -	\$ 609,378	\$ 609,378	

Note 1: Our company:

I. The total amount of capital loan shall not exceed 40% of the net value of the Company's latest financial statement.

II. If an inter-company or inter-firm short-term financing facility is necessary, the total loan amount shall not exceed 20% of the net value of the Company's latest financial statement; the individual loan amount shall not exceed 10% of the net value of the Company's latest financial statement.

Subsidiaries:

I. The total amount of capital loans shall not exceed 40% of the net value of the Company's latest financial statement.

II. If an inter-company or inter-firm short-term financing facility is necessary, the total loan amount shall not exceed 40% of the net value of the Company's latest financial statement; the individual loan amount shall not exceed 30% of the net value of the Company's latest financial statement.; however, if the borrower is the overseas subsidiary 100%-owned ultimately by the parent company, Coxon Precise Industrial Co., Ltd., the total loan amount could not be limited by 40% of the net value of the Company's latest financial statement mentioned above. However, the individual and the total loan amount cannot exceed 100% of the net value of the Company's latest financial statement.

Coxon Precise Industrial Co., Ltd.
Marketable Securities Held
December 31, 2024

Table 2Units: NT\$ thousand

Holding Company Name	Type and Issuer of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	End of Current Period				Remarks
				Unit	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Changshu Huaxon Industry Co., Ltd.	Financial commodities							
	Fixed term structured deposit	None	Financial assets measured at fair value through comprehensive income - current	-	<u>\$ 80,604</u>	-	<u>\$ 80,604</u>	Information on investments
Coxon Industry (Changshu) Co., Ltd.	Shares							
	Unipassion Technology (Shanghai) Co., Ltd.	None	Financial assets at FVTOCI - current	(Note 2)	<u>\$ -</u>	-	<u>\$ -</u>	Information on investments
Coxon Precise Industrial Co., Ltd.	Shares							
	Halo Neuro Inc.	None	Financial assets at FVTOCI - current	306,720	\$ -	-	\$ -	
	Fuji Seiki Co., Ltd.	"	"	450,000	<u>21,725</u>	5	<u>21,725</u>	
					<u>\$ 21,725</u>		<u>\$ 21,725</u>	
Coxon Precise Industrial Co., Ltd.	CGK International Co., Ltd.	None	Financial assets at FVTOCI - non-current	1,800,000	\$ 9,180	-	\$ 9,180	
	Kin Tin Optotronic Co., Ltd.	"	"	2,255,193	-	6	-	
	Simpla Biotech Co., Ltd.	"	"	460,714	-	11	-	
	Cimforce International Limited	Other related parties	"	2,273,172	-	7	-	
					<u>\$ 9,180</u>		<u>\$ 9,180</u>	

Note 1: The Marketable Securities in this table is referred to as shares, bonds, beneficiary certificates, and derivatives related to items mentioned above in scope of IFRS 9 “financial instruments”.

Note 2: As it is a limited company, the shareholding ratio is calculated based on the capital contribution.

Coxon Precise Industrial Co., Ltd.

Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital

2024

Table 3

Units: NT\$ thousand

Buyer (Seller)	Related Party	Relationship	Transaction Details				Status and reasons for different transaction terms from general transactions		Notes/Trade Receivables (Payables)		Remarks
			Purchase/Sale	Amount	Percentage of Purchase (Sale)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total Notes/Trade Receivables (Payables)	
Coxon Precise Industrial Co., Ltd.	Coxon Industry Ltd.	Parent and subsidiary	Purchases	\$ 278,709	32%	120 days	In accordance with mutual agreements	120 days	Trade payables \$ 125,043	28%	
Coxon Industry Ltd.	Sinxon Plastic (Dong Guan) Ltd.	"	Purchases	271,052	100%	120 days	In accordance with mutual agreements	120 days	Trade payables 83,944	100%	
Coxon Industry Ltd.	Coxon Precise Industrial Co., Ltd.	"	Sales revenue	278,709	100%	120 days	In accordance with mutual agreements	120 days	Trade receivables 125,043	100%	
Sinxon Plastic (Dong Guan) Ltd.	Coxon Industry Ltd.	"	Sales revenue	271,052	17%	120 days	In accordance with mutual agreements	120 days	Trade receivables 83,944	14%	

Coxon Precise Industrial Co., Ltd.
Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital
2024

Table 4Units: In NT\$ thousand or Foreign Currencies

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Coxon Industry Ltd.	Coxon Precise Industrial Co., Ltd.	Parent and subsidiary	\$ 125,043	-	\$ -	-	\$ -	\$ -
Changshu Huaxon Industry Co., Ltd.	Coxon Industry (Changshu) Co., Ltd.	Associate	123,145 (Note 1)	-	-	-	-	-

Note 1: Recognized on other receivables.

Coxon Precise Industrial Co., Ltd.
Information on Investees and Location
2024

Table 5Units: NT\$ thousand

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of December 31			Net Income (Loss) of the Investee	Share of Profits (Loss)	Remarks
				End of Current Period	December 31, 2020	Number of shares	%	Carrying Amount			
Coxon Precise Industrial Co., Ltd.	Coxon Industry Ltd.	Samoa	Global investing activities	\$ 1,596,759	\$ 1,596,759	49,731,054	100	\$ 462,909	(\$ 50,143)	(\$ 50,143)	
	Evergiant Trading Enterprise Co., Ltd.	Samoa	Global investing activities	629,586	629,586	9,400,000	100	970,672	24,034	24,034	
	Plenty Link Technology Co., Ltd. (Note 2)	Cayman Islands	Global investing activities	-	368,107	-	-	-	2,669	1,735	
								<u>\$ 1,433,581</u>	(\$ 24,374)		
Evergiant Trading Enterprise Co., Ltd.	Hang Yuan Enterprise Ltd.	Samoa	Global investing activities	618,105	618,105	19,000,000	100	<u>\$ 969,659</u>	24,138	<u>\$ 24,138</u>	

Note 1: The share of profits and losses of subsidiaries and associates recognized by the equity method of the subsidiaries included in the consolidated financial report, the investment by the equity method in the account of the investing company and the net equity value of the invested company have been fully offset.

Note 2: Liquidated on 27 June 2024.

Coxon Precise Industrial Co., Ltd.
Information on investments in mainland China
2024

Table 6Units: In NT\$ thousand or Foreign Currencies

1. Name of the mainland investee, main businesses, paid-in capital, investment method, capital remittance (in and out), shareholding ratio, investment profit and loss, investment book value and repatriation of investment profit or loss:

Investee Company in Mainland China	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan at the End of Current Period	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount at the end of the period	Accumulated Repatriation of Investment Income as of December 31, 2021	Remarks
					Outward	Inward							
Changshu Huaxon Industry Co., Ltd. (Note 1)	Leasehold estate	\$ 1,002,998	Investment through third party	\$ 64,270	\$ -	\$ -	\$ 64,270	(\$ 6,110)	100	(\$ 6,110)	\$ 609,378	\$ -	
Sinxon Plastic (Dong Guan) Ltd. (Note 2)	Manufacturing and sale of nonmetal molding and automobile parts	3,330,854	"	792,138	-	-	792,138	(45,849)	100	(45,849)	486,941	-	
Coxon Industry (Changshu) Co., Ltd. (Note 1)	Manufacturing and sale of nonmetal molding, precision plastic injection parts, related semi-finished goods and components	605,500	"	863,138	-	-	863,138	18,576	100	18,576	316,243	-	
Dong Guan Shuang-Ying Photoelectric Technology Co., Ltd. (Note 3)	Manufacturing of optical instrument and electronic components	-	"	279,595	-	31,607 (Note 3)	- (Note 3)	375	-	244	-	-	

2. Investment limit in Mainland China:

Units: In NT\$ thousand and U.S. Dollars

Accumulated Investment in Mainland China at the End of Current Period	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 1,719,546	\$ 5,480,403	(Note 4)

- Note 1: The Company invested 100% of the ownership of Hang Yuan Enterprise Ltd. through Evergiant Trading Enterprise Co., Ltd. in the third region; Hang Yuan Enterprise Ltd. reinvested 100% of ownership of Coxon Industry (Changshu) Co., Ltd. and Changshu Huaxon Industry Co., Ltd..
- Note 2: The Company invested in Sinxon Plastic (Dong Guan) Co., Ltd. through Coxon Industrial Co., Ltd. in the third place and the own funds of its subsidiaries in mainland China.
- Note 3: The Company invested in Dong Guan Shuang-Ying Photoelectric Technology Co., Ltd. through Plenty Link Technology Co., Ltd. in the third place. Shuan Ying Optoelectronics was liquidated in June 2024, and the remaining investment funds repatriated. The Company has completed the filing to the Investment Commission, MOEA for cancellation of investment in Mainland China.
- Note 4: According to the newly revised “Principles for the Review of Investments or Technical Cooperation in the Mainland Area” on August 29, 2008, since the Company has obtained the certification documents issued by the Industrial Bureau of the Ministry of Economic Affairs that conform to the operation scope of the operating headquarters, there is no need to calculate the investment limit.
3. Significant transaction matters with investees in Mainland China directly or indirectly through third places: Table 3.
4. Provision of endorsements, guarantees, or collaterals directly or indirectly through ventures in third places for mainland investees: None.
5. Provision of financing facilities provided directly or indirectly through ventures in third places for mainland investees: None.
6. Other transactions that have a significant impact on the profit or loss or financial position for the current period: None.

Coxon Precise Industrial Co., Ltd.
Information of Major Shareholders
December 31, 2024

Table 7

Name of Major Shareholder	Shares	
	Number of Shares	Shareholding ratio
No shareholders with ownership of 5% or greater		

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

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Coxon Precise Industrial Co., Ltd.
Detailed Statement of Cash and Cash Equivalents
December 31, 2024

Statement 1

Units: In NT\$ thousand, Unless Stated Otherwise

Item	Description	Amount
Cash		
Working capital fund		\$ 100
Bank deposits		
Checking accounts and demand deposits		13,140
Time deposits		276,658
Foreign currency demand deposit	Including USD 683 thousand @32.785, JPY 12,378 thousand @0.2099 and HKD1,000 @4.2220	<u>25,009</u>
		<u>\$ 314,907</u>

Coxon Precise Industrial Co., Ltd.
Detailed Statement of Trade Receivables
December 31, 2024

Statement 2

Units: NT\$ thousand

Customer Name	Description	Amount
Related parties		<u>\$ 23</u>
Unrelated party		
Company A	Purchases	233,439
Company B	"	94,477
Company C	"	31,472
Other (Note)	"	<u>55,465</u>
		414,853
Less: Allowance for impaired receivables		(<u>252</u>)
		<u><u>\$ 414,624</u></u>

Note: Each balance does not exceed 5% of the accounting balance.

Coxon Precise Industrial Co., Ltd.

Detailed Statement of Inventories

December 31, 2024

Statement 3

Units: NT\$ thousand

Item	Description	Cost	Lower of cost or net realizable value	
			Discount	Premium
Raw materials		\$ 1,840	(\$ 96)	\$ 23
Work In Process		572	-	-
Finished goods		1,723	(56)	1,219
Less: Unrealized write-down of inventories		(<u>152</u>)	<u>-</u>	<u>-</u>
		<u>3,983</u>	(<u>152</u>)	<u>1,242</u>
Inactive inventory				
Raw materials		615	(615)	-
Work In Process		334	(334)	-
Finished goods		298	(298)	-
Less: Unrealized write-down of inventories		(<u>1,247</u>)	<u>-</u>	<u>-</u>
		<u>-</u>	(<u>1,247</u>)	<u>-</u>
		<u>\$ 3,983</u>	(<u>\$ 1,399</u>)	<u>\$ 1,242</u>

Coxon Precise Industrial Co., Ltd.
Statement of Change in Financial Assets at FVTOCI
2024

Statement 4

Units: NT\$ thousand

Name	Balance at January 1		Net increase for the year		Net decrease for the year		Balance at December 31		Endorsement/Guarantee
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	
Kin Tin Optotronic Co., Ltd.	2,255,193	\$ -	-	\$ -	-	\$ -	2,255,193	\$ -	None
CGK International	1,800,000	8,010	-	1,170	-	-	1,800,000	9,180	"
Simpla Biotech Co., Ltd.	782,143	-	-	-	(321,429)	-	460,714	-	"
Halo Neuro Inc.	306,720	-	-	-	-	-	306,720	-	"
Fuji Seiki Co., Ltd.	450,000	30,006	-	-	-	(8,281)	450,000	21,725	"
Cimforce International Limited	2,273,172	-	-	-	-	-	2,273,172	-	"
		<u>\$ 38,016</u>		<u>\$ 1,170</u>		<u>(\$ 8,281)</u>		<u>\$ 30,905</u>	

Coxon Precise Industrial Co., Ltd.
Statement of Change in Investments Accounted for Using the Equity Method
2024

Statement 5Units: In NT\$ thousand, Unless Stated Otherwise

	Balance at January 1		Net increase for the year		Net decrease for the year		Balance at December 31			Market price or net worth (Note 1)		
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Percentage of Ownership (%)	Amount	Unit price (NT\$)	Total price	Endorsement/Guarantee
Long-term Equity Investments under Equity Method												
Unlisted company												
Coxon Industry Ltd.	49,731,054	\$ 493,812	-	\$ 19,240 (Note 2)	-	(\$ 50,143) (Note 2)	49,731,054	100	\$ 462,909	9.31	\$ 462,909	None
Evergiant Trading Enterprise Co., Ltd.	9,400,000	913,427	-	57,245 (Note 3)	-	-	9,400,000	100	970,672	103.26	970,672	"
Plenty Link Technology Co., Ltd	11,700,000	<u>46,831</u>	-	<u>12,853</u> (Note 4)	(11,700,000)	(<u>59,684</u>) (Note 4)	-	-	-	-	-	"
		<u>\$ 1,454,070</u>		<u>\$ 89,338</u>		(<u>\$ 109,827</u>)			<u>\$ 1,433,581</u>		<u>\$ 1,433,581</u>	

Note 1: The net equity value is mainly calculated based on the investee’s financial statements in the same reporting period and the Company's percentage of ownership.

Note 2: This includes an increase of \$19,240 thousand in cumulative translation adjustments, and recognition of investment loss for \$50,143 thousand.

Note 3: This includes an increase of \$33,211 thousand in cumulative translation adjustments, and recognition of investment loss for \$24,034 thousand.

Note 4: This includes an increase of \$11,118 thousand in cumulative translation adjustments, recognition of investment gains of \$1,735 thousand, recognition of investment loss for \$11,481 thousand, and refunded share payment from liquidation for \$48,203 thousand.

Coxon Precise Industrial Co., Ltd.
Detailed Statement of Trade Payables
December 31, 2024

Statement 6

Units: NT\$ thousand

Name	Description	Amount
Related party		
Coxon Industry Ltd.	Purchases	\$ 125,043
Xiangyuan Enterprise Ltd.	"	88,955
Coxon Industry (Changshu) Co., Ltd.	"	<u>4,287</u>
		<u>218,285</u>
Unrelated party		
Dongguan Huamao Electronics Group Co., Ltd.	"	221,438
Other (Note)	"	<u>11,682</u>
		<u>233,120</u>
		<u>\$ 451,405</u>

Note: Each balance does not exceed 5% of the accounting balance.

Coxon Precise Industrial Co., Ltd.
Detailed Statement of Operating Revenue

2024

Statement 7

Units: In NT\$ thousand, Unless Stated Otherwise

Name	Amount
Plastic components	\$ 459,858
Molds	22,471
Others	<u>526,221</u>
	1,008,550
Sales returns	(3)
Sales allowances	(<u>14,202</u>)
	<u>\$ 994,345</u>

Coxon Precise Industrial Co., Ltd.
Detailed Statement of Operating Costs
2024

Statement 8

Units: NT\$ thousand

Item	Amount
Direct raw materials	
Beginning Balance of Raw Materials	\$ 1,786
Add: Raw materials purchased	14,484
Add: Transferred in to warehouse	49
Less: Raw materials sold	(50)
Less: Ending Balance of Raw Materials	(2,241)
Less: Others	(18)
	<u>14,010</u>
Materials	
Beginning Balance of Materials	300
Add: Raw materials purchased	4,081
Less: Ending Balance of Materials	(214)
Add: Others	<u>1</u>
	<u>4,168</u>
Direct labor	20,254
Manufacturing expenses	<u>24,105</u>
Manufacturing costs	62,537
Add: Beginning work-in-process inventory	3,427
Less: Ending work-in-process inventory	(906)
Less: Others	(11)
Cost of finished goods inventory	65,047
Add: Beginning finished goods inventory	2,823
Add: Finished goods purchased	865,902
Less: Ending finished goods inventory	(2,021)
Add: Others	<u>9,339</u>
Cost of goods manufactured	941,090
Add: Raw materials sold	50
Less: Gain on reversal of decline in value of inventories	(910)
Less: Revenue from sale of waste and scrap materials	(503)
Less: Others	(2,643)
Operating costs	<u>\$ 937,084</u>

Coxon Precise Industrial Co., Ltd.
Detailed Statement of Operating Expenses
2024

Statement 9

Units: NT\$ thousand

Item	Selling and marketing expenses	Management and administration expenses	Research and development expenses	Expected credit loss (reversal gains)	Total
Salary expenses	\$ 1,965	\$ 11,730	\$ 824	\$ -	\$ 14,519
Labor expenses	-	4,144	-	-	4,144
Insurance costs	244	1,582	96	-	1,922
Depreciation expenses	-	1,714	-	-	1,714
Other (Note)	<u>2,707</u>	<u>8,629</u>	<u>95</u>	<u>302</u>	<u>11,733</u>
	<u>\$ 4,916</u>	<u>\$ 27,799</u>	<u>\$ 1,015</u>	<u>\$ 302</u>	<u>\$ 34,032</u>

Note: Any individual expense item not exceeding 5% of the account balance is included in the other disclosure.