

Sea Sonic Electronics Co., Ltd.

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Sea Sonic Electronics Co., Ltd.

Opinion

We have audited the accompanying parent company only financial statements of Sea Sonic Electronics Co., Ltd. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2024, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "parent company only financial statements").

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. These 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 these matters.

The key audit matter identified in the Company's parent company only financial statements for the year ended December 31, 2024 is as follows:

Authenticity of Revenue from Specific Customers

The Company's main revenue comes from the sale of switching power supplies. The revenue from specific customers in 2024 shows a different trend compared to overall revenue, and the amount is significant. Whether this revenue is genuine or not will have a material impact on the financial statements. Therefore, we identified the authenticity of revenue from specific customers as a key audit matter.

For details of the accounting policies for revenue recognition and for the disclosures related to revenue, please refer to Notes 4.12 and 19.

The main audit procedures we performed in response to the potential risk were as follows:

1. We obtained an understanding of the design and implementation of internal controls and tested the operating effectiveness of revenue derived from specific customers.
2. We obtained revenue details of specific customers throughout the year, selected samples and tested such transaction documents, and we verified the authenticity of revenue recognition.
3. We reviewed the subsequent payments after the balance sheet date, and we verified the reasonableness of the timing and amount of revenue recognition.

Valuation of Inventories

The net amount of the Company's inventories as of December 31, 2024 is NT\$159,064 thousand. The impairment of inventory is based on policies and estimates established by management. Considering that valuation of inventories is related to material judgment and estimation, we identified the valuation of inventories as one of the key audit matters.

For details of the accounting policies for inventories and for related disclosures, please refer to Notes 4.5, 5 and 10.

In response to this matter, we have performed the following procedures:

1. We obtained an understanding of the design and implementation of internal controls and tested the operating effectiveness of inventory valuation.
2. We performed tests on the inventory aging report and net realizable value report used for valuation, assessed the reasonableness of their logic and parameters, and recalculated the figures. We conducted physical inventory counts and observed whether there were obsolete or outdated inventories. Additionally, performed an inventory turnover analysis to identify any anomalies.

Other Matter

The parent company only financial statements of the Company for the year ended December 31, 2023 were audited by other auditors who expressed an unmodified opinion on those statements on March 11, 2024.

Responsibilities of Management and Those Charged with Governance 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 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 Company'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 Company 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 parent company only 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of 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, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 audits resulting in this independent auditors' report are Ming-Yen Chien and Pi-Yu Chuang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 12, 2025

Notice to Readers

The accompanying parent company only 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 parent company only financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent company only 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 parent company only financial statements shall prevail.

SEA SONIC ELECTRONICS CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024		2023	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS (Note 4)				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,271,943	37	\$ 1,256,165	32
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 15)	172,456	5	379,168	10
Financial assets at amortized cost - current (Notes 4 and 8)	58,841	2	63,171	1
Notes receivable (Notes 4, 9 and 19)	32,978	1	25,691	1
Trade receivables from unrelated parties (Notes 4, 9 and 19)	68,920	2	191,281	5
Trade receivables from related parties (Notes 4, 9, 19 and 26)	568,384	16	938,881	24
Other receivables from unrelated parties (Note 4)	8,241	-	8,775	-
Other receivables from related parties (Notes 4 and 26)	159,410	5	754	-
Inventories (Notes 4, 5 and 10)	159,064	5	114,399	3
Prepayments (Note 26)	137,105	4	188,980	5
Other current assets	1,514	-	8,706	-
Total current assets	2,638,856	77	3,175,971	81
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	42,795	1	-	-
Financial assets at amortized cost - non-current (Notes 4 and 8)	241,171	7	206,062	5
Investments accounted for using the equity method (Notes 4, 11 and 26)	305,874	9	331,212	9
Property, plant and equipment (Notes 4, 12 and 26)	172,174	5	170,573	4
Right-of-use assets (Notes 4 and 13)	9,674	-	12,197	-
Intangible assets (Notes 4 and 14)	2,915	-	1,901	-
Deferred tax assets (Notes 4 and 21)	18,058	1	32,325	1
Refundable deposits (Note 4)	871	-	856	-
Other non-current assets	541	-	2,473	-
Total non-current assets	794,073	23	757,599	19
TOTAL	\$ 3,432,929	100	\$ 3,933,570	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES (Note 4)				
Contract liabilities - current (Notes 4 and 19)	\$ 15,188	-	\$ 2,980	-
Trade payables to unrelated parties (Note 4)	63,594	2	80,040	2
Trade payables to related parties (Notes 4 and 26)	74,698	2	-	-
Other payables (Notes 4, 16 and 26)	63,208	2	82,475	2
Current tax liabilities (Notes 4 and 21)	36,402	1	117,552	3
Lease liabilities - current (Notes 4 and 13)	2,484	-	2,458	-
Other current liabilities	32,359	1	45,349	1
Total current liabilities	287,933	8	330,854	8
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 15)	-	-	392,425	10
Deferred tax liabilities (Notes 4 and 21)	7,522	-	43,997	1
Lease liabilities - non-current (Notes 4 and 13)	7,293	-	9,758	-
Guarantee deposits received (Note 4)	18	-	24	-
Investments accounted for using the equity method in credit (Notes 4, 11 and 26)	185,074	6	101,410	3
Total non-current liabilities	199,907	6	547,614	14
Total liabilities	487,840	14	878,468	22
EQUITY (Notes 4, 11, 15, 18 and 21)				
Share capital	824,063	24	823,582	21
Capital surplus	276,631	8	273,136	7
Retained earnings				
Legal reserve	750,103	22	688,633	18
Special reserve	22,180	1	18,163	-
Unappropriated earnings	1,085,160	31	1,273,768	32
Total retained earnings	1,857,443	54	1,980,564	50
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(13,048)	-	(22,180)	-
Total equity	2,945,089	86	3,055,102	78
TOTAL	\$ 3,432,929	100	\$ 3,933,570	100

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

(With Deloitte & Touche auditors' report dated March 12, 2025)

SEA SONIC ELECTRONICS CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 4, 19 and 26)	\$ 1,695,009	100	\$ 3,341,081	100
OPERATING COSTS (Notes 4, 5, 10, 17, 20 and 26)	<u>1,276,194</u>	<u>75</u>	<u>2,293,522</u>	<u>69</u>
GROSS PROFIT	418,815	25	1,047,559	31
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES (Notes 4 and 26)	<u>(102,654)</u>	<u>(6)</u>	<u>(241,916)</u>	<u>(7)</u>
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES (Notes 4 and 26)	<u>241,916</u>	<u>14</u>	<u>131,963</u>	<u>4</u>
REALIZED GROSS PROFIT	<u>558,077</u>	<u>33</u>	<u>937,606</u>	<u>28</u>
OPERATING EXPENSES (Notes 4, 9, 13, 17, 20 and 26)				
Selling and marketing expenses	69,153	4	66,976	2
General and administrative expenses	76,742	4	97,488	3
Research and development expenses	84,158	5	50,674	2
Expected credit (gain)/loss	<u>(125)</u>	<u>-</u>	<u>14</u>	<u>-</u>
Total operating expenses	<u>229,928</u>	<u>13</u>	<u>215,152</u>	<u>7</u>
PROFIT FROM OPERATIONS	<u>328,149</u>	<u>20</u>	<u>722,454</u>	<u>21</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 7, 11, 15, 20, 26 and 27)				
Finance costs	(3,554)	-	(6,722)	-
Share of profit of subsidiaries accounted for using the equity method	(259,679)	(15)	40,099	1
Interest income	78,959	4	58,115	2
Other income	15,568	1	6,493	-
Net foreign exchange gain (loss) (Notes 4, 20 and 27)	158,662	9	(32,746)	(1)
Other gains and losses	<u>15,116</u>	<u>1</u>	<u>3,677</u>	<u>-</u>
Total non-operating income and expenses	<u>5,072</u>	<u>-</u>	<u>68,916</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	333,221	20	791,370	23
INCOME TAX EXPENSE (Notes 4 and 21)	<u>(44,551)</u>	<u>(3)</u>	<u>(176,664)</u>	<u>(5)</u>
NET PROFIT FOR THE YEAR	<u>288,670</u>	<u>17</u>	<u>614,706</u>	<u>18</u>

(Continued)

SEA SONIC ELECTRONICS CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<u>2024</u>		<u>2023</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
OTHER COMPREHENSIVE INCOME/(LOSS)				
(Notes 4, 8, 11 and 21)				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	\$ 11,415	1	\$ (5,021)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>(2,283)</u>	<u>-</u>	<u>1,004</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>9,132</u>	<u>1</u>	<u>(4,017)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 297,802</u>	<u>18</u>	<u>\$ 610,689</u>	<u>18</u>
EARNINGS PER SHARE (Note 22)				
Basic	<u>\$ 3.50</u>		<u>\$ 7.58</u>	
Diluted	<u>\$ 3.40</u>		<u>\$ 7.20</u>	

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

(With Deloitte & Touche auditors' report dated March 12, 2025)

(Concluded)

SEA SONIC ELECTRONICS CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	Capital (Notes 4, 15 and 18)		Capital Surplus	Retained Earnings (Notes 4 and 18)				Other Equity	
	Shares (In Thousands)	Share Capital	(Notes 4, 15 and 18)	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating of the Financial Statements of Foreign Operations (Notes 4, 18 and 21)	Total Equity
BALANCE AT JANUARY 1, 2023	79,953	\$ 799,532	\$ 95,714	\$ 643,610	\$ 27,520	\$ 1,094,494	\$ 1,765,624	\$ (18,163)	\$ 2,642,707
Appropriation of 2022 earnings									
Legal reserve	-	-	-	45,023	-	(45,023)	-	-	-
Special reserve	-	-	-	-	(9,357)	9,357	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(399,766)	(399,766)	-	(399,766)
Convertible bonds converted to ordinary shares	2,405	24,050	177,416	-	-	-	-	-	201,466
Other changes in capital surplus	-	-	6	-	-	-	-	-	6
Net profit for the year ended December 31, 2023	-	-	-	-	-	614,706	614,706	-	614,706
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	-	-	(4,017)	(4,017)
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	-	614,706	614,706	(4,017)	610,689
BALANCE AT DECEMBER 31, 2023	82,358	823,582	273,136	688,633	18,163	1,273,768	1,980,564	(22,180)	3,055,102
Appropriation of 2023 earnings									
Legal reserve	-	-	-	61,470	-	(61,470)	-	-	-
Special reserve	-	-	-	-	4,017	(4,017)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(411,791)	(411,791)	-	(411,791)
Convertible bonds converted to ordinary shares	48	481	3,495	-	-	-	-	-	3,976
Net profit for the year ended December 31, 2024	-	-	-	-	-	288,670	288,670	-	288,670
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	-	-	-	9,132	9,132
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	-	288,670	288,670	9,132	297,802
BALANCE AT DECEMBER 31, 2024	82,406	\$ 824,063	\$ 276,631	\$ 750,103	\$ 22,180	\$ 1,085,160	\$ 1,857,443	\$ (13,048)	\$ 2,945,089

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

(With Deloitte & Touche auditors’ report dated March 12, 2025)

SEA SONIC ELECTRONICS CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 333,221	\$ 791,370
Adjustments for:		
Depreciation expense	13,505	13,859
Amortization expense	566	3,147
Expected credit (gain) loss	(125)	14
Net gain on fair value changes of financial assets at fair value through profit or loss	(21,829)	(12,283)
Finance costs	3,554	6,722
Interest income	(78,959)	(58,115)
Share of profit of subsidiaries accounted for using the equity method	259,679	(40,099)
Net gain on disposal of property, plant and equipment	-	(409)
Unrealized gain on foreign currency exchange	(2,750)	-
Unrealized gain on transactions with subsidiaries	102,654	241,916
Realized gain on transactions with subsidiaries	(241,916)	(131,963)
Non-current assets recognized as expenses and loss	-	771
Changes in operating assets and liabilities		
Notes receivable	(7,027)	(1,313)
Trade receivables from unrelated parties	122,226	97,871
Trade receivables from related parties	370,497	(534,353)
Other receivables from unrelated parties	(9,869)	293
Other receivables from related parties	753	(398)
Inventories	(44,665)	64,654
Prepayments	51,875	(26,777)
Other current assets	7,192	(546)
Contract liabilities	12,208	(1,312)
Trade payables from unrelated parties	(16,446)	72,500
Trade payables from related parties	74,698	-
Other payables	(19,267)	(5,357)
Other current liabilities	(12,990)	12,140
Cash generated from operations	896,785	492,332
Interest received	75,859	56,831
Interest paid	(201)	(43)
Income tax paid	(150,192)	(207,939)
Net cash generated from operating activities	822,251	341,181
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(20,043)	(58,052)
Purchase of financial assets at fair value through profit or loss	(16,679)	(242,037)
Proceeds from sale of financial assets at fair value through profit or loss	205,173	230,000
Payments for property, plant and equipment	(12,583)	(2,136)
Proceeds from disposal of property, plant and equipment	-	2,958
Increase in refundable deposits	(15)	(178)

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SEA SONIC ELECTRONICS CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
Other receivables from related parties	\$ (156,642)	\$ 261,043
Payments for intangible assets	(1,580)	(2,262)
Decrease (increase) in other non-current assets	<u>1,932</u>	<u>(1,855)</u>
Net cash generated from/(used in) investing activities	<u>(437)</u>	<u>187,481</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bonds payable	(391,800)	-
Refund of guarantee deposits received	(6)	-
Repayment of the principal portion of lease liabilities	(2,439)	(1,708)
Cash dividends distributed	(411,791)	(399,766)
Other financing activities	<u>-</u>	<u>6</u>
Net cash used in financing activities	<u>(806,036)</u>	<u>(401,468)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	15,778	127,194
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,256,165</u>	<u>1,128,971</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,271,943</u>	<u>\$ 1,256,165</u>

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

(With Deloitte & Touche auditors' report dated March 12, 2025)

(Concluded)

SEA SONIC ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Sea Sonic Electronics Co., Ltd. (the “Company”) was incorporated in the Republic of China (ROC) on October 13, 1975. The Company mainly manufactures and sells switching power supplies.

The Company’s shares have been listed on the Taipei Exchange (TPEX) Mainboard since December 26, 2002.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Company’s board of directors on March 12, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. 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 “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Company’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the 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)
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 2)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Company shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025. An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

Amendments to IAS 21 “Lack of Exchangeability”

The amendments stipulate that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. In this situation, the Company shall disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, its financial performance, financial position and cash flows.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note)</u>
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments 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 by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards 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 supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Company shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Company as a whole, the Company shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the financial statements were authorized for issue, the Company is continuously assessing the other impacts of the above amended standards and interpretations on the Company’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. 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.

b. Basis of preparation

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

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); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

The accompanying parent company only financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

When preparing the parent company only financial statements, the Company account for subsidiaries by using the equity method. In order to agree with the amount of net income, other comprehensive income and equity attributable to shareholders of the parent in the consolidated financial statements, the differences of the accounting treatment between the parent company only basis and the consolidated basis are adjusted under the heading of investments accounted for using equity method, share of profits of subsidiaries and share of other comprehensive income of subsidiaries in the parent company only financial statements.

c. 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 an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and
- 3) Liabilities for which the Company does not have the substantial right at the end of the reporting period 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.

d. Foreign currencies

In preparing the Company's financial statements, transactions in currencies other than the Company'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.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting financial statements, the financial statements of the Company's foreign operations (including subsidiaries in other countries) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: 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 period. The resulting currency translation differences are recognized in other comprehensive income.

e. Inventories

Inventories consist of raw materials, supplies, finished goods and work in progress and 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.

f. Investments in subsidiaries

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

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of loss of a subsidiary exceeds its interest in that subsidiary (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 subsidiary), the Company continues recognizing its share of further loss, if any.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years.

Profit or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

g. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Expect for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation 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.

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

h. 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 effect of any changes in the estimates accounted for on a prospective basis.

2) Derecognition of intangible assets

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

i. Impairment of property, plant and equipment and right-of-use assets and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment and right-of-use assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. 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.

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 on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

j. 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 the 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 or issuance of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular transactions of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets held by the Company are classified into the following categories: Financial assets at FVTPL and financial assets at amortized cost.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any interest earned on such financial assets are recognized in interest income; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 25: Financial Instruments.

ii. Financial assets at amortized cost

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

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

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, time deposit at amortized cost, notes receivable, trade receivables, other receivables, and refundable deposits 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:

- i) 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; and
- ii) 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.

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;

- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties.

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) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Company always recognizes lifetime Expected Credit Losses (ECLs) for trade receivables. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, 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.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 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.

For internal credit risk management purposes, if internal or external information shows that the debtor is unlikely to pay its creditors, the Company considers it as an indication that financial asset is in default (without taking into account any collateral held by the Company).

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.

c) 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 at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

4) Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

k. Provisions

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 for the expected cost of warranty obligations to assure that products comply with agreed-upon specifications are recognized on the date of sale of the relevant products at the best estimate by the management of the Company of the expenditures required to settle the Company's obligations.

l. Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

The revenue of the Company from the sale of goods mainly comes from the sale of electronic components and products. Revenue is recognized when the goods are transferred to the customers because 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 and revenue is recognized concurrently. Prepayments for product sales is recognized as contract liability.

m. Leases

At the inception of a contract, the Company assesses whether the contract is a lease.

1) The Company as lessor

All leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) 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 short-term leases and low-value asset leases accounted for by 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. 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 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.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. 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 lessee's incremental borrowing rate will be used.

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 future lease payments resulting from a change in a lease term, 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 balance sheets.

n. 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.

o. Taxation

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

1) Current 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 in the ROC, 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 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, and unused loss carryforwards 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, 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. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to 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 Company 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

Current tax and deferred tax 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.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimations, and assumptions on 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.

Key sources of estimation uncertainty - write-down of inventories

The net realizable value of inventories is the established selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience with product sales of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	2023
Cash on hand	\$ 200	\$ 167
Checking accounts and demand deposits	1,055,270	1,255,998
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	<u>216,473</u>	<u>-</u>
	<u>\$ 1,271,943</u>	<u>\$ 1,256,165</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2024	2023
<u>Financial assets at fair value through profit or loss (FVTPL) - current</u>		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Convertible call options	\$ -	\$ 198
Non-derivative financial assets		
Beneficiary certificates	172,456	352,638
Corporate bonds	<u>-</u>	<u>26,332</u>
	<u>\$ 172,456</u>	<u>\$ 379,168</u>
<u>Financial assets at fair value through profit or loss (FVTPL) - non-current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Corporate bonds	<u>\$ 42,795</u>	<u>\$ -</u>

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2024	2023
<u>Current</u>		
Time deposits with original maturities of more than 3 months	\$ 58,841	\$ 63,171
<u>Non-current</u>		
Segregated foreign exchange deposit account for offshore funds	\$ 241,171	\$ 206,062

The ranges of interest rates for time deposits with original maturities more than 3 months were approximately 5.30% and 5.20% per annum as of December 31, 2024 and 2023, respectively.

The ranges of interest rates of offshore funds were approximately 1.69%-4.90% and 2.55%-5.73% per annum as of December 31, 2024 and 2023, respectively.

The Company applies for “The Management, Utilization, and Taxation of Repatriated Offshore Funds Act” and repatriates foreign investment income to a special account for foreign exchange deposits in accordance with the regulations. The funds deposited into segregated foreign exchange deposit account shall be managed and utilized according to the Act. Except for financial of substantive investments as permitted by Act and a portion could be withdrawn and freely utilized, account shall be managed and utilized according to the Act. The rest of the funds should be deposited in the segregated foreign exchange deposit account for five years; after the expiry of the said period, the funds could be withdrawn over a period of three years according to regulations.

9. NOTES AND TRADE RECEIVABLES

	December 31	
	2024	2023
<u>Notes receivable - operating</u>		
At amortized cost		
Gross carrying amount	\$ 32,978	\$ 25,951
Less: Allowance for impairment loss	-	(260)
	<u>\$ 32,978</u>	<u>\$ 25,691</u>
<u>Trade receivables from unrelated parties</u>		
At amortized cost		
Gross carrying amount	\$ 69,055	\$ 191,281
Less: Allowance for impairment loss	(135)	-
	<u>\$ 68,920</u>	<u>\$ 191,281</u>
<u>Trade receivables from related parties -operating (Note 26)</u>	<u>\$ 568,384</u>	<u>\$ 938,881</u>

The average credit period of sales of goods is 60 to 105 days. No interest was charged on trade receivables. 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 year 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, and economic condition of the industry in which the customer operates. 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 evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. 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 aging schedule details the loss allowance of trade receivables based on the Company's provision matrix.

December 31, 2024

	Not Past Due	1 to 30 Days Past Due	31 to 60 Days Past Due	61 to 90 Days Past Due	91 to 180 Days Past Due	Total
Gross carrying amount	\$ 669,087	\$ 1,203	\$ -	\$ -	\$ 127	\$ 670,417
Loss allowance (Lifetime ECLs)	(6)	(2)	-	-	(127)	(135)
Amortized cost	<u>\$ 669,081</u>	<u>\$ 1,201</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 670,282</u>

December 31, 2023

	Not Past Due	1 to 30 Days Past Due	31 to 60 Days Past Due	61 to 90 Days Past Due	91 to 180 Days Past Due	Total
Gross carrying amount	\$ 1,126,739	\$ 9,537	\$ 19,837	\$ -	\$ -	\$ 1,156,113
Loss allowance (Lifetime ECLs)	(260)	-	-	-	-	(260)
Amortized cost	<u>\$ 1,126,479</u>	<u>\$ 9,537</u>	<u>\$ 19,837</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,155,853</u>

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

	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Balance at January 1	\$ 260	\$ 246
Less: Amounts written off	<u>(125)</u>	<u>14</u>
Balance at December 31	<u>\$ 135</u>	<u>\$ 260</u>

10. INVENTORIES

	December 31	
	2024	2023
Finished goods	\$ 82,042	\$ 28,723
Work in progress	-	215
Raw materials	<u>77,022</u>	<u>85,461</u>
	<u>\$ 159,064</u>	<u>\$ 114,399</u>

The nature of the cost of goods sold was as follows:

	For the Year Ended December 31	
	2024	2023
Cost of inventories sold	\$ 1,265,691	\$ 2,282,565
Inventory write-downs	9,744	2,216
Loss of inventory scrapped	721	8,832
Loss (gain) on physical inventory	<u>38</u>	<u>(91)</u>
	<u>\$ 1,276,194</u>	<u>\$ 2,293,522</u>

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Subsidiaries included in the financial statements:

	For the Year Ended December 31	
	2024	2023
Investments in subsidiaries	<u>\$ 305,874</u>	<u>\$ 331,212</u>
<u>Investments in subsidiaries</u>		
Resonic Holdings Co., Ltd.	\$ 197,791	\$ 210,553
Seasonic Electronics, Inc.	(91,298)	(63,839)
Sea Sonic Europe B.V.	(93,776)	(37,571)
Full Net Enterprise Inc.	89,365	86,274
Sea Sonic Energy Co., Ltd.	<u>18,718</u>	<u>34,385</u>
	120,800	229,802
Add: Investments accounted for using the equity method in credit recognized as non-current assets	<u>185,074</u>	<u>101,410</u>
	<u>\$ 305,874</u>	<u>\$ 331,212</u>

Investments in subsidiaries

Resonic Holdings Co., Ltd.	100%	100%
Seasonic Electronics, Inc.	100%	100%
Sea Sonic Europe B.V.	100%	100%
Full Net Enterprise Inc.	100%	100%
Sea Sonic Energy Co., Ltd.	100%	100%

12. PROPERTY, PLANT AND EQUIPMENT

	For the Year Ended December 31	
	2024	2023
Assets used by the Company	\$ 152,288	\$ 151,227
Assets leased under operating leases	<u>18,886</u>	<u>19,346</u>
	<u>\$ 172,174</u>	<u>\$ 170,573</u>

a. Assets used by the Company

	Land	Buildings	Machinery Equipment	Other Equipment	Total
<u>Cost</u>					
Balance at January 1, 2024	\$ 97,779	\$ 98,673	\$ 16,977	\$ 35,923	\$ 249,352
Additions	-	-	10,887	1,696	12,583
Disposals	<u>-</u>	<u>(2,233)</u>	<u>(66)</u>	<u>(7,266)</u>	<u>(9,565)</u>
Balance at December 31, 2024	<u>\$ 97,779</u>	<u>\$ 96,440</u>	<u>\$ 27,798</u>	<u>\$ 30,353</u>	<u>\$ 252,370</u>
<u>Accumulated depreciation</u>					
Balance at January 1, 2024	\$ -	\$ 75,098	\$ 6,378	\$ 16,649	\$ 98,125
Depreciation expenses	-	2,513	3,145	4,864	10,522
Disposals	<u>-</u>	<u>(2,233)</u>	<u>(66)</u>	<u>(7,266)</u>	<u>(9,565)</u>
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 75,378</u>	<u>\$ 9,457</u>	<u>\$ 14,247</u>	<u>\$ 99,082</u>
Carrying amount at December 31, 2024	<u>\$ 97,779</u>	<u>\$ 21,062</u>	<u>\$ 18,341</u>	<u>\$ 16,106</u>	<u>\$ 153,288</u>
<u>Cost</u>					
Balance at January 1, 2023	\$ 97,779	\$ 98,673	\$ 21,045	\$ 36,382	\$ 253,879
Additions	-	-	-	2,136	2,136
Disposals	<u>-</u>	<u>-</u>	<u>(4,068)</u>	<u>(2,595)</u>	<u>(6,663)</u>
Balance at December 31, 2023	<u>\$ 97,779</u>	<u>\$ 98,673</u>	<u>\$ 16,977</u>	<u>\$ 35,923</u>	<u>\$ 249,352</u>
<u>Accumulated depreciation</u>					
Balance at January 1, 2023	\$ -	\$ 71,902	\$ 5,315	\$ 13,335	\$ 90,552
Depreciation expenses	-	3,916	2,583	5,908	11,687
Disposals	<u>-</u>	<u>-</u>	<u>(1,520)</u>	<u>(2,594)</u>	<u>(4,114)</u>
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 75,098</u>	<u>\$ 6,378</u>	<u>\$ 16,649</u>	<u>\$ 98,125</u>
Carrying amount at December 31, 2023	<u>\$ 97,779</u>	<u>\$ 23,575</u>	<u>\$ 10,599</u>	<u>\$ 19,274</u>	<u>\$ 151,227</u>

The Company did not recognize or reverse any impairment loss for the years ended December 31, 2024 and 2023.

Depreciation expenses were calculated on a straight-line basis over their estimated useful lives as follows:

Buildings	35 years
Machinery equipment	3-10 years
Other equipment	3-10 years

b. Assets leased under operating leases

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1 and December 31, 2024	<u>\$ 13,609</u>	<u>\$ 16,450</u>	<u>\$ 30,059</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2024	\$ -	\$ 10,713	\$ 10,713
Depreciation expenses	<u>-</u>	<u>460</u>	<u>460</u>
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 11,173</u>	<u>\$ 11,173</u>
Carrying amount at December 31, 2024	<u>\$ 13,609</u>	<u>\$ 5,277</u>	<u>\$ 18,886</u>
<u>Cost</u>			
Balance at January 1 and December 31, 2023	<u>\$ 13,609</u>	<u>\$ 16,450</u>	<u>\$ 30,059</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2023	\$ -	\$ 10,254	\$ 10,254
Depreciation expenses	<u>-</u>	<u>459</u>	<u>459</u>
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 10,713</u>	<u>\$ 10,713</u>
Carrying amount at December 31, 2023	<u>\$ 13,609</u>	<u>\$ 5,737</u>	<u>\$ 19,346</u>

Operating leases relate to leases of parking spaces with lease terms half years. All operating lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating lease payments was as follows:

	December 31	
	2024	2023
Half year	<u>\$ 225</u>	<u>\$ 1,224</u>

Depreciation expenses were calculated on a straight-line basis over their estimated useful lives as follows:

Buildings	35 years
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13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2024	2023
Carrying amount		
Buildings	<u>\$ 9,674</u>	<u>\$ 12,197</u>
	For the Year Ended December 31	
	2024	2023
Additions to right-of-use assets	<u>\$ -</u>	<u>\$ 12,618</u>
Depreciation charge for right-of-use assets		
Buildings	<u>\$ 2,523</u>	<u>\$ 1,713</u>

Except for the additions and recognition of depreciation expense, the Company's right-of-use assets did not experience significant sub-lease or impairments for the years ended December 31, 2024 and 2023, respectively.

b. Lease liabilities

	December 31	
	2024	2023
<u>Carrying amount</u>		
Current	<u>\$ 2,484</u>	<u>\$ 2,458</u>
Non-current	<u>\$ 7,293</u>	<u>\$ 9,758</u>

Range of discount rates for lease liabilities was as follows:

	December 31	
	2024	2023
Buildings	1.85%	1.00%-1.85%

c. Material leasing activities and terms

The Company leases buildings for the use as factories, with lease terms of 5 years. The Company does not have bargain purchase options to acquire the leasehold buildings at the end of the lease terms. In addition, the Company is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	For the Year Ended December 31	
	2024	2023
Expenses relating to short-term leases	<u>\$ 177</u>	<u>\$ 150</u>
Expenses relating to low-value asset leases	<u>\$ 115</u>	<u>\$ 48</u>
Total cash outflow for leases	<u>\$ (2,932)</u>	<u>\$ (1,949)</u>

The Company's leases of certain buildings and transportation equipment qualify as short-term leases and leases of certain office equipment qualify as low-value asset leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

14. OTHER INTANGIBLE ASSETS

	Computer Software
<u>Cost</u>	
Balance at January 1, 2024	\$ 2,262
Additions	<u>1,580</u>
Balance at December 31, 2024	<u>\$ 3,842</u>
<u>Accumulated amortization and impairment</u>	
Balance at January 1, 2024	\$ 361
Amortization expenses	<u>566</u>
Balance at December 31, 2024	<u>\$ 927</u>
Carrying amount at December 31, 2024	<u>\$ 2,915</u>
<u>Cost</u>	
Balance at January 1, 2023	\$ -
Additions	<u>2,262</u>
Balance at December 31, 2023	<u>\$ 2,262</u>
<u>Accumulated amortization and impairment</u>	
Balance at January 1, 2023	\$ -
Amortization expenses	<u>361</u>
Balance at December 31, 2023	<u>\$ 361</u>
Carrying amount at December 31, 2023	<u>\$ 1,901</u>

The Company found no indications of impairment for the above assets for the years ended December 31, 2024 and 2023; therefore, the Company did not conduct an impairment assessment.

Amortization expenses were calculated on a straight-line basis over their estimated useful lives as follows:

Computer software	3-7 years
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15. BONDS PAYABLE

	December 31	
	2024	2023
Unsecured domestic convertible bonds	\$ -	\$ 395,800
Less: Discount on bonds payable	<u>-</u>	<u>(3,375)</u>
	<u>\$ -</u>	<u>\$ 392,425</u>

The Company has been approved by the competent authority to raise and issue the first domestic unsecured convertible corporate bond, with a total issuance amount of \$600,000 thousand, a coupon rate of 0%, an issuance period of 3 years, and a circulation period from September 9, 2021, to September 9, 2024. This convertible corporate bond is to be redeemed in cash at face value at maturity. The bondholder may, from the day following the three months of issuance of this bond to the maturity date, except during periods when transfers must be suspended according to procedures or laws, request to convert the bond into the Company's ordinary shares at any time. The rights and obligations of the ordinary shares after conversion are the same as those of the original issued ordinary shares. The conversion price of this convertible corporate bond is determined according to the pricing model prescribed by the conversion method. The initial conversion price at the time of issuance was \$95.8 dollars per share. Subsequent conversion prices will be adjusted according to the pricing model prescribed by the conversion method if the company encounters anti-dilution clause situations.

From the day following three months after the issuance of these convertible bonds to 40 days before the expiration of the issuance period, if the closing price of the Company's ordinary shares on the Taiwan Stock Exchange exceeds the conversion price of the convertible bonds by 30% (inclusive) or more for 30 consecutive business days, or if the total amount of bonds yet to be converted is less than 10% of the total issuance, the company may reclaim all of outstanding convertible bonds in cash at face value of the bonds.

These convertible bonds include host contract debt instrument, redemption right derivative instrument, and equity component. The equity component is expressed as capital surplus - stock rights under equity. The effective interest rate of the originally recognized liability component is 1.284%.

Proceeds from issuance (less transaction costs of \$5,304 thousand)	\$ 671,715
Redeemable derivative instruments	1,320
Equity component (less transaction costs allocated to the equity component of \$747 thousand)	<u>(95,713)</u>
Liability component at the date of issue (less transaction costs allocated to the liability component of \$4,557 thousand)	<u>\$ 577,322</u>

Changes in the host debt instrument is as follows:

	For the Year Ended December 31	
	2024	2023
Beginning of year	\$ 392,425	\$ 587,293
Interest calculated at effective interest rate	3,353	6,679
Conversion of bonds payable into ordinary shares	(3,978)	(201,547)
Redemption of corporate bonds	<u>(391,800)</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ 392,425</u>

Changes in the redemption right derivative are as follows:

	For the Year Ended December 31	
	2024	2023
Beginning of year	\$ 198	\$ 1,320
Fair value changes	(196)	(1,041)
Conversion of bonds payable into ordinary shares	<u>(2)</u>	<u>(81)</u>
End of year	<u>\$ -</u>	<u>\$ 198</u>

The changes in the conversion rights under the equity components (under the capital surplus) are as follows:

	For the Year Ended December 31	
	2024	2023
Beginning of year	\$ 63,139	\$ 95,713
Conversion of bonds payable into ordinary shares	(638)	(32,574)
Conversion right expired upon maturity of bonds payable	<u>(62,501)</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ 63,139</u>

This convertible bond matured on September 9, 2024. The Company redeemed all outstanding convertible bonds in cash at face value, totaling \$391,800 thousand.

16. OTHER LIABILITIES

	December 31	
	2024	2023
<u>Current</u>		
Other payables		
Payables for compensation of employees and remuneration of directors	\$ 24,104	\$ 42,993
Payables for salaries and bonuses	18,440	17,905
Payables for annual leave	5,251	8,686
Payables for processing expenses	4,670	3,989
Payables for service expenses	2,905	2,100
Others	<u>7,829</u>	<u>6,802</u>
	<u>\$ 63,199</u>	<u>\$ 82,475</u>

17. RETIREMENT BENEFIT PLANS

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

18. EQUITY

a. Share capital

	December 31	
	2024	2023
Number of authorized shares (in thousands of shares)	<u>150,000</u>	<u>150,000</u>
Amount of authorized shares	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>
Number of issued and fully paid shares (in thousands of shares)	<u>82,406</u>	<u>82,358</u>
Amount of issued and fully paid shares	<u>\$ 824,063</u>	<u>\$ 823,582</u>

b. Capital surplus

	December 31	
	2024	2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*		
Conversion of bonds	\$ 214,123	\$ 209,990
Expired share options	<u>62,501</u>	<u>-</u>
	<u>276,624</u>	<u>209,990</u>
<u>May only be used to offset a deficit</u>		
Right of disgorgement	<u>7</u>	<u>7</u>
<u>May not be used for any purpose</u>		
Share options	<u>-</u>	<u>63,139</u>
	<u>\$ 276,631</u>	<u>\$ 273,136</u>

* 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 (limited to a certain percentage of the Company's capital surplus and to once a year).

c. Retained earnings and dividend policy

Under the dividends policy as set forth in the 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 legal reserve 10% of the remaining profit, setting aside or reversing a special reserve, 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. For the policies on the distribution of compensation of employees and remuneration of directors and supervisors after the amendment, refer to compensation of employees and remuneration of directors and supervisors in Note 20-g.

The Company's dividend policy stipulates that the Company is in a growth stage in the industry. Based on the consideration of the needs of the Company's operations and to maximize shareholders' interest, the board of directors proposed, for approval in the shareholder's meeting, to distribute dividends per residual dividend policy. The board makes the decision based on the Company's future capital budget-planning and funding needs for the following fiscal year, in addition to factors such as the Company's profitability, financial structure and diluted earnings per share. When distributing shareholder dividends, the proportion of cash dividends distributed should not be less than 30% of the total dividends, and the maximum is 100%. The distribution rate shall be determined by the authorized board of directors, and the distribution plan is proposed by the board of directors to the shareholders meeting for resolution each year.

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.

The appropriations of earnings for 2023 and 2022, which were approved in the shareholders' meetings on June 21, 2024 and June 14, 2023, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2023	2022
Legal reserve	\$ 61,470	\$ 45,023
Recognition (reversal) of special reserve	\$ 4,017	\$ (9,357)
Cash dividends	\$ 411,791	\$ 399,766
Cash dividends per share (NT\$)	\$ 5.00	\$ 5.00

The appropriation of earnings for 2024, which were proposed by the Company's board of directors on March 12, 2025, were as follows:

	For the Year Ended December 31, 2024
Legal reserve	\$ 28,867
Special reserve	\$ (9,132)
Cash dividends	\$ 288,422
Cash dividends per share (NT\$)	\$ 3.50

d. Other equity items

Exchange differences on the translation of the financial statements of foreign operations

	For the Year Ended December 31	
	2024	2023
Beginning at January 1	\$ (22,180)	\$ (18,163)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	<u>9,132</u>	<u>(4,017)</u>
Balance at December 31	<u>\$ (13,048)</u>	<u>\$ (22,180)</u>

19. REVENUE

	For the Year Ended December 31	
	2024	2023
Revenue from contracts with customers		
Revenue from the sale of goods	<u>\$ 1,695,009</u>	<u>\$ 3,341,081</u>
<u>Contract balances</u>		
	December 31	
	2024	2023
Notes receivable	<u>\$ 32,978</u>	<u>\$ 25,691</u>
Trade receivables from unrelated parties (Note 9)	<u>\$ 68,920</u>	<u>\$ 191,281</u>
Trade receivables from related parties (Notes 9 and 26)	<u>\$ 568,384</u>	<u>\$ 938,881</u>
Contract liabilities - current		
Sale of goods	<u>\$ 15,188</u>	<u>\$ 2,980</u>

The changes in the balance of contract liabilities primarily result from the timing difference between the Company's satisfaction of performance obligations and the respective customer's payment.

20. NET PROFIT

Net profit for the year includes the following items:

a. Interest income

	For the Year Ended December 31	
	2024	2023
Bank deposits	\$ 65,258	\$ 53,942
Financial assets at FVTPL	7,014	2,139
Others	<u>6,687</u>	<u>2,034</u>
	<u>\$ 78,959</u>	<u>\$ 58,115</u>

b. Other income

	For the Year Ended December 31	
	2024	2023
Rental income	\$ 790	\$ 862
Others	<u>14,778</u>	<u>5,631</u>
	<u>\$ 15,568</u>	<u>\$ 6,493</u>

c. Other gains and losses

	For the Year Ended December 31	
	2024	2023
Net gain on financial assets and financial liabilities at FVTPL	\$ 21,830	\$ 12,283
Gain on disposal of property, plant and equipment	-	409
Others	<u>(6,714)</u>	<u>(9,015)</u>
	<u>\$ 15,116</u>	<u>\$ 3,677</u>

d. Finance costs

	For the Year Ended December 31	
	2024	2023
Interest on convertible bonds	\$ 3,353	\$ 6,679
Interest on lease liabilities	<u>201</u>	<u>43</u>
	<u>\$ 3,554</u>	<u>\$ 6,722</u>

e. Depreciation and amortization

	For the Year Ended December 31	
	2024	2023
An analysis of depreciation by function		
Operating expense	\$ 11,490	\$ 13,859
Operating costs	<u>2,015</u>	<u>-</u>
	<u>\$ 13,505</u>	<u>\$ 13,859</u>
An analysis of amortization by function		
Selling expenses	\$ -	\$ 2,786
Administrative expenses	67	22
Research and development expenses	<u>499</u>	<u>339</u>
	<u>\$ 566</u>	<u>\$ 3,147</u>

f. Employee benefits expense

	For the Year Ended December 31	
	2024	2023
Post-employment benefits		
Defined contribution plans (Note 17)	\$ 4,690	\$ 4,410
Other employee benefits		
Salaries expense	101,420	112,160
Labor/health insurance expense	9,674	9,600
Other personnel expenses	<u>8,281</u>	<u>13,132</u>
Total other employee benefits	<u>119,375</u>	<u>134,892</u>
Total employee benefits expense	<u>\$ 124,065</u>	<u>\$ 139,302</u>
An analysis of employee benefits expense by function		
Operating expense	<u>\$ 124,065</u>	<u>\$ 139,302</u>

g. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of no less than 2% and no higher than 1.5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and the remuneration of directors for the years ended December 31, 2024 and 2023, which were approved by the Company's board of directors on March 12, 2025 and March 11, 2024, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2024	2023
Compensation of employees	3%	3%
Remuneration of directors	1%	1%

Amount

	For the Year Ended December 31	
	2024	2023
Compensation of employees	<u>\$ 10,416</u>	<u>\$ 24,544</u>
Remuneration of directors	<u>\$ 3,472</u>	<u>\$ 8,181</u>

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the financial statements for the year ended December 31, 2022. The compensation of employees and remuneration of directors for 2023 have been fully distributed.

The actual amounts of the compensation of employees and remuneration of directors paid for 2023 differed from the amounts recognized in the financial statements for the year ended December 31, 2023. The differences were adjusted to profit and loss for the year ended December 31, 2024.

	For the Year Ended December 31, 2023
Actual paid amount	<u>\$ 24,479</u>
Amounts recognized in the annual financial statements	<u>\$ 24,544</u>

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors for 2024 and 2023 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2024	2023
Foreign exchange gains	\$ 179,836	\$ 110,597
Foreign exchange losses	<u>(21,174)</u>	<u>(143,343)</u>
Net gains and losses	<u>\$ 158,662</u>	<u>\$ (32,746)</u>

21. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2024	2023
Current tax		
In respect of the current year	\$ 65,841	\$ 186,998
Income tax on unappropriated earnings	6,871	740
Adjustments for prior years	(4,042)	(3,205)
Withholding tax on overseas income	<u>372</u>	<u>327</u>
	<u>69,042</u>	<u>184,860</u>
Deferred tax		
In respect of the current year	(24,649)	(8,196)
Adjustments for prior years	<u>158</u>	<u>-</u>
	<u>(24,491)</u>	<u>(8,196)</u>
Income tax expense recognized in profit or loss	<u>\$ 44,551</u>	<u>\$ 176,664</u>

The reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2024	2023
Profit before tax	<u>\$ 333,221</u>	<u>\$ 791,370</u>
Income tax expense calculated at the statutory rate	\$ 66,644	\$ 158,274
Nondeductible expenses in determining taxable income	3,579	22,984
Tax-exempt income	(29,031)	(2,456)
Income tax on unappropriated earnings	6,871	740
Adjustments for prior years' tax	(3,884)	(3,205)
Withholding tax on overseas income	<u>372</u>	<u>327</u>
Income tax expense recognized in profit or loss	<u>\$ 44,551</u>	<u>\$ 176,664</u>

b. Income tax expense recognized in other comprehensive income

	For the Year Ended December 31	
	2024	2023
<u>Deferred tax</u>		
In respect of the current year		
Translation of the financial statements of foreign operations	<u>\$ 2,283</u>	<u>\$ (1,004)</u>

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2024

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Temporary differences				
Refund discounts and liabilities	\$ 7,278	\$ (1,724)	\$ -	\$ 5,554
Unrealized inventory write-downs	1,048	1,949	-	2,997
Payables for annual leave	1,737	(687)	-	1,050
Fair value loss on financial assets	-	1,513	-	1,513
Unrealized exchange loss	16,717	(16,717)	-	-
Share of loss of investments accounted for using the equity method	-	3,682	-	3,682
Exchange differences on translation of the financial statements of foreign operations	<u>5,545</u>	<u>-</u>	<u>(2,283)</u>	<u>3,262</u>
	<u>\$ 32,325</u>	<u>\$(11,984)</u>	<u>\$ (2,283)</u>	<u>\$ 18,058</u>

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Temporary differences				
Share of profit of associates accounted for using the equity method	\$ 43,997	\$(43,997)	\$ -	\$ -
Unrealized exchange gain	<u>-</u>	<u>7,522</u>	<u>-</u>	<u>7,522</u>
	<u>\$ 43,997</u>	<u>\$(36,475)</u>	<u>\$ -</u>	<u>\$ 7,522</u>

For the year ended December 31, 2023

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Temporary differences				
Refund discounts and liabilities	\$ 5,046	\$ 2,232	\$ -	\$ 7,278
Unrealized inventory write-downs	605	443	-	1,048
Payables for annual leave	1,326	411	-	1,737
Unrealized exchange loss	3,587	13,130	-	16,717
Exchange differences on translation of the financial statements of foreign operations	<u>4,541</u>	<u>-</u>	<u>1,004</u>	<u>5,545</u>
	<u>\$ 15,105</u>	<u>\$ 16,216</u>	<u>\$ 1,004</u>	<u>\$ 32,325</u>

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Temporary differences				
Share of profit of associates accounted for using the equity method	<u>\$ 35,977</u>	<u>\$ 8,020</u>	<u>\$ -</u>	<u>\$ 43,997</u>

d. Income tax assessments

The income tax returns of the Company through 2022 have been assessed by the tax authorities.

22. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2024	2023
Basic earnings per share	<u>\$ 3.50</u>	<u>\$ 7.58</u>
Diluted earnings per share	<u>\$ 3.40</u>	<u>\$ 7.20</u>

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net profit for the year

	For the Year Ended December 31	
	2024	2023
Profit for the year attributable to owners of the Company	<u>\$ 288,670</u>	<u>\$ 614,706</u>

(Continued)

	For the Year Ended December 31	
	2024	2023
Earnings used in the computation of basic earnings per share	\$ 288,670	\$ 614,706
Effect of potentially dilutive ordinary shares		
Interest on convertible bonds (after tax) and valuation loss on redemption rights	<u>2,840</u>	<u>5,344</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 291,510</u>	<u>\$ 620,050</u>
		(Concluded)

Shares

	Unit: Shares (In Thousands)	
	For the Year Ended December 31	
	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	82,399	\$ 81,051
Effect of potentially dilutive ordinary shares:		
Convertible bonds	3,255	4,763
Compensation of employees	<u>202</u>	<u>315</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>85,856</u>	<u>\$ 86,129</u>

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

23. CASH FLOW INFORMATION

Changes in Liabilities Arising from Financing Activities

For the year ended December 31, 2024

	Non-cash Changes							
	Opening Balance	Cash Flows	New Leases	Amortization of Financial Costs	Disposal Leases	Exchange Differences	Others	Closing Balance
Guarantee deposits received	\$ 24	\$ (6)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18
Bonds payable	392,425	(391,800)	-	3,353	-	-	(3,978)	-
Lease liabilities	<u>12,216</u>	<u>(2,439)</u>	<u>-</u>	<u>201</u>	<u>-</u>	<u>-</u>	<u>(201)</u>	<u>9,777</u>
	<u>\$ 404,665</u>	<u>\$ (392,245)</u>	<u>\$ -</u>	<u>\$ 3,554</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,179)</u>	<u>\$ 9,795</u>

For the year ended December 31, 2023

	Non-cash Changes							
	Opening Balance	Cash Flows	New Leases	Amortization of Financial Costs	Disposal Leases	Exchange Differences	Others	Closing Balance
Guarantee deposits received	\$ 24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24
Bonds payable	587,293	-	-	6,679	-	-	(201,547)	392,425
Lease liabilities	<u>1,306</u>	<u>(1,708)</u>	<u>12,618</u>	<u>43</u>	<u>-</u>	<u>-</u>	<u>(43)</u>	<u>12,216</u>
	<u>\$ 588,623</u>	<u>\$ (1,708)</u>	<u>\$ 12,618</u>	<u>\$ 6,722</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (201,590)</u>	<u>\$ 404,665</u>

24. CAPITAL 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's overall strategy remains unchanged in the past three years.

The capital structure of the Company consists of net debt and equity attributable to owners of the Company.

Key management personnel of the Company review the capital structure periodically. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. In order to balance the overall capital structure, the Company may adjust the amount of new debt issued or existing debt redeemed.

25. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

Except for bonds payable, the management believes that all the carrying amounts of financial assets and financial liabilities not measured at fair value recognized in the financial statements approximate their fair values or their fair value cannot be reliably measured. (December 31, 2024: None)

December 31, 2023

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Bonds payable	\$ 392,425	\$ -	\$ -	\$ 392,000	\$ 392,000

The fair values of the financial assets and financial liabilities included in the Level 3 categories above have been determined based on the binomial tree model for pricing convertible bonds.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL - current				
Beneficiary certificates	\$ 172,456	\$ -	\$ -	\$ 172,456
Financial assets at FVTPL - non-current				
Corporate bonds	\$ 42,795	\$ -	\$ -	\$ 42,795

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL - current				
Derivative financial assets (not under hedge accounting)				
Convertible call options	\$ -	\$ -	\$ 198	\$ 198
Beneficiary certificates	352,638	-	-	352,638
Corporate bonds	<u>26,332</u>	<u>-</u>	<u>-</u>	<u>26,332</u>
	<u>\$ 378,970</u>	<u>\$ -</u>	<u>\$ 198</u>	<u>\$ 379,168</u>

There were no transfers between Levels 1 and 2 for the years ended December 31, 2024 and 2023.

2) Reconciliation of Level 3 fair value measurements of financial instruments

Financial assets at FVTPL - derivatives

	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Financial assets</u>		
Balance at January 1	\$ 198	\$ 1,320
Decrease during this year	(2)	(81)
Net loss on fair value changes of financial assets at fair value through profit or loss	<u>(196)</u>	<u>(1,041)</u>
Balance at December 31	<u>\$ -</u>	<u>\$ 198</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement (December 31, 2024: None)

Derivatives

The fair values of convertible call options have been determined based on the binomial tree model. The key parameters used in the valuation model are as follows:

	December 31, 2023
Volatility	39.81%
Risk-free rate	0.6347%
Risk discount rates	1.4029%
Liquidity risk	4.36%

c. Categories of financial instruments

	December 31	
	2024	2023
<u>Financial assets</u>		
Financial assets at amortized cost (1)	\$ 2,410,624	\$ 2,691,569
FVTPL		
Mandatorily classified as at FVTPL	215,251	379,168

Financial liabilities

Financial liabilities at amortized cost (2)	152,564	392,449
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- 1) The balances include cash and cash equivalents, financial assets at amortized cost, notes receivable, trade receivables, other receivables (excluding tax refund receivables), and refundable deposits.
- 2) The balances include trade payables (including related parties), other payables (excluding payables for salaries and taxes), bonds payable, and guarantee deposits received.

d. Financial risk management objectives and policies

The Company's major financial instruments include derivatives, equity and debt investments, notes receivable, trade receivables (including related parties), other receivables (excluding tax refund receivables), refundable deposits, trade payables (including related parties), other payables (including related parties), and bonds payable. The Company's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Company through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

There has been no change to the Company's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Company have foreign currency denominated sales and purchases, which expose the Company to foreign currency risk.

The carrying amounts of the Company's foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 27.

Sensitivity analysis

The Company is mainly exposed to the U.S. dollar, South Korean won, Hong Kong dollar and Chinese yuan.

The following table details the Company's sensitivity to a 1% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the year for a 1% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit associated with the New Taiwan dollar strengthening 1% against the relevant currency. For a 1% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	Relevant Foreign Currencies	
	For the Year Ended December 31	
	2024	2023
Profit or loss	\$ 20,597	\$ 26,969

b) Interest rate risk

The Company has fair value risk from interest rate fluctuations due to holding fixed-rate financial assets and liabilities, and cash flow risk from interest rate fluctuations due to holding floating-rate financial assets and liabilities. The Company's management periodically monitors changes in market interest rates and adjusts the positions of floating rate financial assets and liabilities to make the Company's interest rates closer to market rates, to cope with the risks arising from market interest rate changes.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2024	2023
Fair value interest rate risk		
Financial assets	\$ 559,280	\$ 295,565
Financial liabilities	\$ 9,777	\$ 404,641
Cash flow interest rate risk		
Financial assets	\$ 1,055,270	\$ 1,255,998

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rates for derivative instruments at the end of the year. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the year was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2024 and 2023 would have increased/decreased by \$10,553 thousand and \$12,560 thousand, respectively, which was mainly a result of financial assets and financial liabilities held by the Company that have cash flow interest rate risk.

c) Other price risk

The Company was exposed to price risk through its investments in corporate bonds and beneficiary certificates at FVTPL. If the prices of corporate bonds and beneficiary certificates had increased/decreased by 5%, the Company's pre-tax profit for the years ended December 31, 2024 and 2023 would have increased/decreased by \$10,763 thousand and \$18,949 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. At the end of the year, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of the counterparty to discharge its obligation, could be equal to the total of the carrying amount of the respective recognized financial assets as stated in the balance sheets. The policy adopted by the Company is to only transact with parties with good credit to mitigate the risk of financial loss and continuously monitor credit exposure and the credit status of transaction counterparts.

The Company's concentration of credit risk of 94% and 95% of total trade receivables as of December 31, 2024 and 2023, respectively, was attributable to the Company's five largest customers.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents and utilization of bank borrowings deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2024 and, 2023, the Company had available unutilized short-term bank loan facilities set out in (b) below.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. 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 upon repayment dates.

December 31, 2024

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	-	\$ 201,518	\$ -	\$ 201,518
Lease liabilities	1.850	<u>2,640</u>	<u>7,480</u>	<u>-</u>
		<u>\$ 204,158</u>	<u>\$ 7,480</u>	<u>\$ 201,518</u>

December 31, 2023

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	-	\$ 153,853	\$ -	\$ -
Lease liabilities	1.850	2,640	10,120	-
Fixed interest rate liabilities	1.284	<u>395,800</u>	<u>-</u>	<u>-</u>
		<u>\$ 552,293</u>	<u>\$ 10,120</u>	<u>\$ -</u>

b) Financing facilities

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Unsecured bank facilities		
Amount used	\$ -	\$ -
Amount unused	<u>150,000</u>	<u>150,000</u>
	<u>\$ 150,000</u>	<u>\$ 150,000</u>

26. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in the other notes, details of transactions between the Company and other related parties are disclosed as follows.

a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Resonic Holdings Co., Ltd.	Subsidiary
Seasonic Electronics, Inc.	Subsidiary
Sea Sonic Europe B.V.	Subsidiary
Full Net Enterprise Inc.	Subsidiary
Sea Sonic Energy Co., Ltd.	Subsidiary
Shenzhen Energy Power Electronics Co., Ltd.	Subsidiary
Dongguan Seasonic Electronic Co., Ltd.	Subsidiary

b. Sales of goods

Related Party Category/Name	For the Year Ended December 31	
	2024	2023
Subsidiary		
Seasonic Electronics, Inc.	\$ 172,582	\$ 685,228
Sea Sonic Europe B.V.	449,011	696,826
Shenzhen Energy Power Electronics Co., Ltd.	475,635	421,466
Other related party	<u>6,639</u>	<u>46,312</u>
	<u>\$ 1,103,867</u>	<u>\$ 1,849,832</u>

The sales terms between the Company and related parties, including transaction prices and payment terms, do not differ significantly from those with non-related parties.

c. Purchases of goods

Related Party Category/Name	For the Year Ended December 31	
	2024	2023
Subsidiary		
Full Net Enterprise Inc.	\$ 1,035,404	\$ 1,937,538
Other related party	<u>57,618</u>	<u>-</u>
	<u>\$ 1,093,022</u>	<u>\$ 1,937,538</u>

The purchase price between the Company and related parties and based on cost plus a markup, the terms of these transaction do not differ significantly from those with non-related parties.

d. Receivables from related parties (excluding loans to related parties)

1) Trade receivables

Related Party Category/Name	December 31	
	2024	2023
Subsidiary		
Seasonic Electronics, Inc.	\$ 177,261	\$ 492,555
Sea Sonic Europe B.V.	274,763	306,104
Shenzhen Energy Power Electronics Co., Ltd.	<u>116,360</u>	<u>140,222</u>
	<u>\$ 568,384</u>	<u>\$ 938,881</u>

2) Other receivables

Related Party Category/Name	December 31	
	2024	2023
Subsidiary		
Seasonic Electronics, Inc.	\$ 2	\$ 170
Sea Sonic Europe B.V.	<u>-</u>	<u>584</u>
	<u>\$ 2</u>	<u>\$ 754</u>

The outstanding receivables from related parties are unsecured. As of December 31, 2024 and 2023, the other receivables from related parties were assessed, and no provision for loss allowance is required.

e. Payables from related parties

1) Trade payables

Related Party Category/Name	December 31	
	2024	2023
Subsidiary		
Full Net Enterprise Inc.	\$ 47,830	\$ -
Dongguan Seasonic Electronic Co., Ltd.	<u>26,868</u>	<u>-</u>
	<u>\$ 74,698</u>	<u>\$ -</u>

2) Other payables

Related Party Category/Name	December 31	
	2024	2023
Subsidiary		
Full Net Enterprise Inc.	<u>\$ 9</u>	<u>\$ -</u>

f. Prepayments

Related Party Category/Name	December 31	
	2024	2023
Subsidiary		
Full Net Enterprise Inc.	<u>\$ 124,597</u>	<u>\$ 181,365</u>

g. Loans to related parties (recorded under other receivables)

Related Party Category/Name	December 31	
	2024	2023
Subsidiary		
Seasonic Electronics, Inc.	<u>\$ 159,408</u>	<u>\$ -</u>

Interest income

Related Party Category/Name	For the Year Ended December 31	
	2024	2023
Subsidiary		
	<u>\$ 6,681</u>	<u>\$ 2,029</u>

h. Acquisition of property, plant, and equipment

Related Party Category/Name	For the Year Ended December 31	
	2024	2023
Subsidiary		
Full Net Enterprise Inc.	<u>\$ 294</u>	<u>\$ -</u>

i. Disposal of property, plant and equipment

Related Party Category/Name	Disposal Proceeds		Gain or Loss on Disposal	
	For the Year Ended December 31		For the Year Ended December 31	
	2024	2023	2024	2023
Subsidiary				
Full Net Enterprise Inc.	\$ <u>-</u>	\$ <u>957</u>	\$ <u>-</u>	\$ <u>-</u>

j. Rental income (recorded under other income)

Related Party Category/Name	For the Year Ended December 31	
	2024	2023
Subsidiary	\$ <u>12</u>	\$ <u>21</u>

The above-mentioned rent is based on market rates and is received monthly as fixed lease payments in accordance with the lease agreement.

k. Service fees (recorded under operating expenses)

Related Party Category/Name	For the Year Ended December 31	
	2024	2023
Subsidiary		
Dongguan Seasonic Electronic Co., Ltd.	\$ <u>26,868</u>	\$ <u>-</u>

l. Compensation loss (recorded under other gains and losses)

Related Party Category/Name	For the Year Ended December 31	
	2024	2023
Subsidiary		
Sea Sonic Europe B.V.	\$ <u>4,868</u>	\$ <u>-</u>

m. Remuneration of key management personnel

	For the Year Ended December 31	
	2024	2023
Short-term benefit	\$ 15,815	\$ 26,191
Post-employment benefit	<u>341</u>	<u>384</u>
	\$ <u>16,156</u>	\$ <u>26,575</u>

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

27. SIGNIFICANT FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Assets denominated in foreign currencies</u>			
Monetary items			
USD	\$ 43,352	32.7850 (USD:NTD)	\$ 1,421,296
KRW	452,790	0.0225 (KRW:NTD)	10,188
CNY	170,495	4.4780 (CNY:NTD)	<u>763,478</u>
			<u>\$ 2,194,962</u>
Non-monetary items			
USD	738	32.7850 (USD:NTD)	<u>\$ 24,203</u>

Liabilities denominated in foreign currencies

Monetary items			
USD	873	32.7850 (USD:NTD)	\$ 28,618
CNY	23,815	4.4780 (CNY:NTD)	<u>106,643</u>
			<u>\$ 135,261</u>

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Assets denominated in foreign currencies</u>			
Monetary items			
USD	\$ 77,839	30.6600 (USD:NTD)	\$ 2,386,546
HKD	148	3.9000 (HKD:NTD)	575
CNY	90,822	4.3000 (CNY:NTD)	<u>390,534</u>
			<u>\$ 2,777,655</u>
Non-monetary items			
Investments accounted for using the equity method			
USD	1,753	30.6600 (USD:NTD)	\$ 53,734
EUR	402	33.7800 (EUR:NTD)	<u>13,592</u>
			<u>\$ 67,326</u>

(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Liabilities denominated in foreign currencies</u>			
Monetary items			
USD	\$ 618	30.6600 (USD:NTD)	\$ 18,962
HKD	86	3.9000 (HKD:NTD)	334
CNY	14,291	4.3000 (CNY:NTD)	<u>61,449</u>
			<u>\$ 80,745</u>
			(Concluded)

For the years ended December 31, 2024 and 2023, realized and unrealized net foreign exchange gains (losses) were gain of \$158,662 thousand and loss of \$32,746 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Company.

28. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (None)
- 3) Marketable securities held (excluding investments in subsidiaries and associates) (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) Trading in derivative instruments (Notes 7 and 15)

b. Information on investees (Table 5)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net profit and loss for the year, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area. (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: (Tables 1, 3 and 4)
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year
 - c) The amount of property transactions and the amount of the resultant gains or losses
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes
 - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds
 - f) 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
- d. 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 8)

TABLE 1

SEA SONIC ELECTRONICS CO., LTD.

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 3)	Ending Balance	Actual Amount Borrowed (Note 3)	Interest Rate	Nature of Financing (Note 2)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 3 and 4)	Aggregate Financing Limit (Notes 3 and 4)	Note
													Item	Value			
0	Sea Sonic Electronics Co., Ltd.	Seasonic Electronics, Inc.	Trade receivables - related parties	Yes	\$ 288,000 (US\$ 8,785 thousand)	\$ 223,000 (US\$ 6,802 thousand)	\$ 156,642 (US\$ 4,778 thousand)	3.119%- 3.244%	2	\$ -	Business turnover	\$ -	None	\$ -	\$ 589,018 (US\$ 17,966 thousand)	\$ 1,178,036 (US\$ 35,932 thousand)	
		Sea Sonic Europe B.V.	Trade receivables - related parties	Yes	195,000 (EUR 5,712 thousand)	130,000 (EUR 3,808 thousand)	-	-	2	-	Business turnover	-	None	-	589,018 (EUR 17,253 thousand)	1,178,036 (EUR 34,506 thousand)	
		Sea Sonic Energy Co., Ltd.	Trade receivables - related parties	Yes	20,000	-	-	-	2	-	Business turnover	-	None	-	589,018	1,178,036	

Note 1: No. column is coded as follows:

a. The Issuer is coded “0”.

b. The investees are coded consecutively beginning from “1” in the order presented in the table above.

Note 2: The nature of financing is described as follows:

a. Business transaction is coded “1”.

b. Short-term financing is coded “2”.

Note 3: Maximum loans to subsidiaries and other borrowers are as follows:

a. Loans to borrowers with which it does business shall not exceed the amount of business contact (amount of purchases or sales, whichever is greater), and the limit is 40% of the net worth of the Company.

b. Loans to borrowers with a necessity for short-term funding shall not exceed 20% of the Company’s net worth separately, and the accumulated amount of loans shall not exceed 40% of the Company’s net worth. For foreign companies whose 100% of voting shares are held by the Company, loans shall not exceed 60% of the Company’s net worth separately, and the accumulated amount of loans shall not exceed 80% of the Company’s net worth.

Note 4: The board of directors of the Company approved the resolution on loans to Seasonic Electronics, Inc. and Sea Sonic Europe B.V. of \$223,000 thousand and \$130,000 thousand, separately. As of December 31, 2024, \$156,642 thousand and \$0 have been actually drawn.

TABLE 2

SEA SONIC ELECTRONICS CO., LTD.

MARKETABLE SECURITIES HELD
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note (Note 2)
				Number of Shares	Carrying Amount (Note 1)	Percentage of Ownership	Fair Value	
Sea Sonic Electronics Co., Ltd.	Fuh Hwa Angel Fund	-	Financial assets at fair value through profit or loss - current	545,765.10	\$ 11,392	-	\$ 11,392	-
	Fuh Hwa Global Bond Fund	-	Financial assets at fair value through profit or loss - current	677,093.90	10,306	-	10,306	-
	PGIM 2026 Maturity Short-Term Bond Fund USD	-	Financial assets at fair value through profit or loss - current	21,051.48	6,903	-	6,903	-
	Fuh Hwa Global Short-Term Income Fund	-	Financial assets at fair value through profit or loss - current	1,213,170.20	15,613	-	15,613	-
	PGIM Global Eco-Friendly ESG Multi-Asset Fund Inc TWD	-	Financial assets at fair value through profit or loss - current	9,565,899.48	110,942	-	110,942	-
	Fuh Hwa 3-8Yr Maturity A-Rated Bond USD	-	Financial assets at fair value through profit or loss - current	50,000.00	17,300	-	17,300	-
	Corporate bonds of Apple Inc.	-	Financial assets at fair value through profit or loss - non-current	100.00	3,188	-	3,188	Note 3
	Corporate bonds of Altria Group, Inc.	-	Financial assets at fair value through profit or loss - non-current	300.00	9,140	-	9,140	Note 3
	Corporate bonds of AbbVie	-	Financial assets at fair value through profit or loss - non-current	100.00	2,884	-	2,884	Note 3
	Corporate bonds of Ford Motor Company in USD	-	Financial assets at fair value through profit or loss - non-current	200.00	5,137	-	5,137	Note 3
	Oversea corporate bonds of Altria Group, Inc.	-	Financial assets at fair value through profit or loss - non-current	100.00	2,605	-	2,605	Note 3
	Oversea corporate bonds of Intel Corporation	-	Financial assets at fair value through profit or loss - non-current	170.00	3,185	-	3,185	Note 3
	Corporate bonds of Mizuho Financial Group Inc.	-	Financial assets at fair value through profit or loss - non-current	500.00	16,656	-	16,656	Note 3
Resonic Holdings Co., Ltd.	Nomura High Yield Bonds USD AM	-	Financial assets at fair value through profit or loss - non-current	9,098.26	2,297	-	2,297	-

Note 1: The book value was the carrying amount after the valuation adjustment of fair value.

Note 2: No guarantees, pledged loans, or other restrictions on the use of the contract were provided from the securities mentioned above.

Note 3: The calculation of fair value was based on the spot exchange rate of corporate bonds on December 31, 2024.

TABLE 3

SEA SONIC ELECTRONICS CO., LTD.

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Sea Sonic Electronics Co., Ltd.	Full Net Enterprise Inc.	Subsidiary company	Purchase	\$ 1,035,404	83.80	T/T 90 days in general; prepayment regarding a particular transaction or order; occasionally payment referring to the status of cash flow or set off by debts and claims.	-	-	\$ (47,830)	(34.59)	
	Seasonic Electronics, Inc.	Subsidiary company	Sale	(172,582)	(10.18)	T/T 120 days after receipt in general; further discussion for payments regarding a particular transaction or order.	-	-	177,261	27.81	
	Sea Sonic Europe B.V.	Subsidiary company	Sale	(449,011)	(26.49)	T/T 120 days after receipt in general; further discussion for payments regarding a particular transaction or order.	-	-	274,763	43.11	
	Shenzhen Energy Power Electronics Co., Ltd.	Subsidiary company	Sale	(475,635)	(28.06)	T/T 120 days after receipt in general; further discussion for payments regarding a particular transaction or order.	-	-	116,360	18.26	
Dongguan Seasonic Electronic Co., Ltd.	Full Net Enterprise Inc.	Fellow subsidiary company	Sale	(1,100,345)	(97.50)	T/T 60 days; prepayment regarding a particular transaction or order; occasionally payment referring to the status of cash flow.	-	-	73,334	73.03	
Full Net Enterprise Inc.	Sea Sonic Electronics Co., Ltd.	Parent company	Sale	(1,035,404)	(98.62)	T/T 90 days in general; prepayment regarding a particular transaction or order; occasionally payment referring to the status of cash flow or set off by debts and claims.	-	-	47,830	87.24	
Sea Sonic Europe B.V.	Sea Sonic Electronics Co., Ltd.	Parent company	Purchase	449,011	99.72	T/T 120 days after receipt in general; further discussion for payments regarding a particular transaction or order.	-	-	(274,763)	(100.00)	
Shenzhen Energy Power Electronics Co., Ltd.	Sea Sonic Electronics Co., Ltd.	Parent company	Purchase	475,635	99.59	T/T 120 days after receipt in general; further discussion for payments regarding a particular transaction or order.	-	-	(116,360)	(99.33)	
Seasonic Electronics, Inc.	Sea Sonic Electronics Co., Ltd.	Parent company	Purchase	172,582	100.00	T/T 120 days; prepayment regarding a particular transaction or order; occasionally payment referring to the status of cash flow.	-	-	(177,261)	(100.00)	

Note: The sales prices and payment terms of intercompany sales and purchases were not significantly different from those transactions with third parties.

TABLE 4

SEA SONIC ELECTRONICS CO., LTD.

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars or Foreign Currency, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance (Note 2)	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note 1)	Allowance for Impairment Loss
					Amount	Actions Taken		
Sea Sonic Electronics Co., Ltd.	Seasonic Electronics, Inc.	Subsidiary company	Trade receivables	\$ 177,261	51.53%	\$ -	-	\$ -
	Sea Sonic Europe B.V.	Subsidiary company	Trade receivables	274,763	154.60%	-	-	53,079
	Shenzhen Energy Power Electronics Co., Ltd.	Subsidiary company	Trade receivables	116,360	370.75%	-	-	65,037

Note 1: The subsequent period will be on February 28, 2025.

Note 2: No impairment loss was required to be recognized after assessment.

Note 3: The foreign currency calculation was based on the spot exchange rate of December 31, 2024.

TABLE 5

SEA SONIC ELECTRONICS CO., LTD.

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars or Foreign Currency, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note 2)		As of December 31, 2024 (Note 3)			Net Income (Loss) of the Investee (Note 4)	Share of Profits (Loss) (Note 4)	Note
				December 31, 2024	December 31, 2023	Number of Shares	%	Carrying Amount			
Sea Sonic Electronics Co., Ltd.	Resonic Holdings Co., Ltd. Seasonic Electronics, Inc.	British Virgin Islands United States	Holding company International trade	\$ 165,547	\$ 165,547	25,300	100	\$ 197,791	\$ (22,056)	\$ (22,081)	-
				9,980	9,980	300,000	100	(91,298)	(112,608)	(112,608)	-
	Sea Sonic Europe B.V.	Netherlands	International trade	(US\$ 300)	(US\$ 300)			(US\$ -2,785)	(US\$ -3,507)	(US\$ -3,507)	-
				4,796	4,796	100,000	100	(93,776)	(71,650)	(71,650)	-
	Full Net Enterprise Inc. Sea Sonic Energy Co., Ltd.	Samoa Taiwan	Triangle trade Information software services	(EUR 100)	(EUR 100)			(EUR -2,747)	(EUR -2,062)	(EUR -2,062)	-
				87,520	87,520	2,700,000	100	89,365	3,045	3,045	-
				40,000	40,000	40,000,000	100	18,718	(15,631)	(15,667)	-

Note 1: For information on investee companies in mainland China, refer to Table 6.

Note 2: The New Taiwan dollar calculation was based on the historical exchange rate.

Note 3: The foreign currency calculation was based on the spot exchange rate of December 31, 2024.

Note 4: The New Taiwan dollar calculation was based on the average exchange rate for the year ended December 31, 2024.

SEA SONIC ELECTRONICS CO., LTD.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars or Foreign Currency, Unless Stated Otherwise)

1. Information on investments in mainland China

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024 (Note 4)	Remittance of Funds (Note 1)		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024 (Note 4)	Net Income (Loss) of the Investee (Note 3)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2024 (Note 2)	Accumulated Repatriation of Investment Income as of December 31, 2024	Note
					Outflow	Inflow							
Dongguan Seasonic Electronic Co., Ltd.	Production and sale of switching power supplies	HK\$ 29,030	(Notes 1 and 3)	US\$ 3,748 (NT\$ 122,882)	\$ -	\$ -	US\$ 3,748 (NT\$ 122,882)	CNY (12) (NT\$ -55)	100	CNY (12) (NT\$ -55)	CNY 40,228 (NT\$ 180,141)	CNY 15,215 (NT\$ 65,576)	
Shenzhen Energy Power Electronics Co., Ltd.	Import and export of computer hardware and equipment	US\$ 200	(Notes 1 and 3)	US\$ 200 (NT\$ 6,557)	-	-	US\$ 200 (NT\$ 6,557)	CNY (4,988) (NT\$ -22,215)	100	CNY (4,988) (NT\$ -22,215)	CNY 4,142 (NT\$ 18,546)	-	

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2024 (Note 4)	Investment Amount Authorized by the Investment Commission, MOEA (Note 4)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (Note 5)
US\$ 3,948 (NT\$ 129,439)	US\$ 3,948 (NT\$ 129,439)	NT\$ 1,767,054

- Note 1: Reinvestment through investment in a third-region company.
- Note 2: The profit and loss of the financial statement has been audited by an independent certified public accountant of the parent company in Taiwan.
- Note 3: The Company reinvests in Dongguan Seasonic Electronic Co., Ltd. and Shenzhen Energy Power Electronics Co., Ltd. through Resonic Holdings Co., Ltd. (England). As of December 31, 2023, accumulated investment equals to US\$3,948,125, while reinvestment in mainland China equals US\$3,748,125 and US\$200,000 to Dongguan Seasonic Electronic Co., Ltd. and Shenzhen Energy Power Electronics Co., Ltd., respectively.
- Note 4: Amounts in the table shall be listed in NTD. Foreign currency shall be exchanged to NTD with the exchange rate at the date of the report.
- Note 5: In accordance with the regulation of the Investment Commission, MOEA, accumulated investment in mainland China is limited to 60% of net worth or consolidated net worth, whichever is greater.
- Note 6: The Company reinvests in Dongguan Seasonic Electronic Co., Ltd. and Shenzhen Energy Power Electronics Co., Ltd. through Resonic Holdings Co., Ltd. (England) with 100% shareholding.
2. Major transactions with investees in mainland China through a third region: Please refer to “Information on major transactions” and “The business relationship between the parent and the subsidiaries and significant transactions between them” for information on direct or indirect major transactions with investees in mainland China for the year ended December 31, 2024.

TABLE 7**SEA SONIC ELECTRONICS CO., LTD.****INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Chang, Cheng-Tsung	21,069,968	25.56
Wei, Chin-Hua	10,157,309	12.32
CHING HAI Co., Ltd.	6,396,264	7.76

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 financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.