Asia Optical Co., Inc. and Subsidiaries

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

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2024 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard No. 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Asia Optical Co., Inc.

By:

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Lai I-Jen
Chairman

March 4, 2025

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Asia Optical Co., Inc.

Opinion

We have audited the accompanying consolidated financial statements of Asia Optical Co., Inc. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

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

Basis for 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2024 is stated as follows:

Sales Recognition

The Group's sales are primarily generated by the optical component segment, contact image sensor modules segment, optronics components segment, optronics products segment, and digital camera segment. The sales revenue of the Group increased compared to the prior year, and sales to particular customers had increased substantially. Since the sales generated from these particular customers accounted for a major proportion of total sales, the recognition of sales from these particular customers was identified as a key audit matter. Refer to Notes 4 and 23 to the consolidated financial statements.

We obtained an understanding of and tested the internal controls of the Group in relation to the recognition of sales from particular customers. We also performed the following audit procedures:

1. We selected sample transactions from sales and tested the operating effectiveness of relevant key controls.

2. We selected samples of sales from particular customers with significant sales growth and checked them against purchase orders and related documents such as shipping documents or the receipts for payments to confirm the authenticity of the sales revenue.

Other Matter

We have also audited the parent company only financial statements of Asia Optical Co., Inc. as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated 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 consolidated 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 Group to express an opinion on the consolidated 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 consolidated 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 Shu-Ching Chiang and Hsiang-Min Wang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 4, 2025

<u>Notice to Readers</u>

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

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

ASIA OPTICAL CO., INC. AND SUBSIDIARIES

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

	2024		2023	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 13,141,780	51	$ 9,746,889	47
Financial assets at amortized cost - current (Notes 4 and 9)	156,095	-	174,941	1
Notes receivable (Notes 4 and 23)	77,547	-	103,502	-
Trade receivables (Notes 4, 10 and 23)	4,819,607	19	4,272,793	20
Other receivables (Notes 4 and 30)	39,533	-	37,139	-
Inventories (Notes 4 and 11)	3,594,980	14	2,803,913	13
Other current assets (Notes 4 and 13)	158,701	1	138,445	1
Total current assets	21,988,243	85	17,277,622	82
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	32,656	-	168,746	1
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	54,749	-	80,513	1
Investments accounted for using the equity method (Notes 4 and 14)	52,880	-	47,690	-
Property, plant and equipment (Notes 4 and 15)	2,828,543	11	2,588,543	12
Right-of-use assets (Notes 4 and 16)	274,888	1	261,090	1
Investment properties (Notes 4 and 17)	307,053	1	326,317	2
Other intangible assets (Notes 4 and 18)	59,638	-	79,280	1
Deferred tax assets (Notes 4 and 25)	59,843	1	37,690	-
Prepayments for equipment	104,039	1	61,814	-
Refundable deposits	13,553	-	13,373	-
Total non-current assets	3,787,842	15	3,665,056	18
TOTAL	$ 25,776,085	100	$ 20,942,678	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities (Notes 4 and 23)	$ 374,558	2	$ 393,691	2
Notes payable	2,655	-	3,997	-
Trade payables to unrelated parties	4,661,549	18	3,024,091	14
Trade payables to related parties (Note 30)	5,244	-	5,124	-
Other payables (Note 19)	2,579,413	10	1,931,436	9
Current tax liabilities (Notes 4 and 25)	421,606	2	330,976	2
Lease liabilities - current (Notes 4 and 16)	18,321	-	18,057	-
Other current liabilities (Notes 4 and 23)	101,636	-	94,373	1
Total current liabilities	8,164,982	32	5,801,745	28
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 25)	202,362	1	172,406	1
Lease liabilities - non-current (Notes 4 and 16)	24,694	-	16,049	-
Net defined benefit liabilities - non-current (Notes 4 and 21)	87,072	-	118,779	-
Guarantee deposits received	7,848	-	3,781	-
Other non-current liabilities (Notes 4 and 20)	2,338	-	2,314	-
Total non-current liabilities	324,314	1	313,329	1
Total liabilities	8,489,296	33	6,115,074	29
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Ordinary shares	2,792,439	11	2,792,439	13
Capital surplus	5,476,803	21	5,365,320	26
Retained earnings				
Legal reserve	2,171,975	8	2,100,482	10
Special reserve	368,933	2	281,870	1
Unappropriated earnings	3,355,338	13	2,379,872	12
Other equity	507,072	2	(363,136)	(2)
Total equity attributable to owners of the Company	14,672,560	57	12,556,847	60
NON-CONTROLLING INTERESTS	2,614,229	10	2,270,757	11
Total equity	17,286,789	67	14,827,604	71
TOTAL	$ 25,776,085	100	$ 20,942,678	100

The accompanying notes are an integral part of the consolidated financial statements.

ASIA OPTICAL CO., INC. AND SUBSIDIARIES

CONSOLIDATED 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**	**%**
SALES (Notes 4, 23 and 30)	$ 23,047,473	100	$ 17,830,192	100
COST OF GOODS SOLD (Notes 11, 24 and 30)	18,767,627	81	14,645,356	82
GROSS PROFIT	4,279,846	19	3,184,836	18
OPERATING EXPENSES (Notes 24 and 30)				
Selling and marketing expenses	243,855	1	206,600	1
General and administrative expenses	1,378,413	6	1,238,600	7
Research and development expenses	899,238	4	819,860	5
Expected credit loss (gain) (Notes 4 and 10)	(4,074)	-	6,128	-
Total operating expenses	2,517,432	11	2,271,188	13
PROFIT FROM OPERATIONS	1,762,414	8	913,648	5
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 24 and 30)	71,981	-	108,388	-
Other gains and losses (Notes 4 and 24)	(5,311)	-	(10,844)	-
Finance costs (Notes 4 and 16)	(1,062)	-	(1,334)	-
Share of profit of associates (Notes 4 and 14)	2,671	-	1,690	-
Interest income (Note 4)	456,964	2	330,864	2
Foreign exchange gain (loss) (Note 4)	120,329	1	(24,523)	-
Net gain on financial asset at fair value through profit or loss (Note 4)	77,743	-	1,951	-
Total non-operating income and expenses	723,315	3	406,192	2
PROFIT BEFORE INCOME TAX	2,485,729	11	1,319,840	7
INCOME TAX EXPENSE (Notes 4 and 25)	457,298	2	232,256	1
NET PROFIT FOR THE YEAR	2,028,431	9	1,087,584	6
OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 21)	21,265	-	(5,623)	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(25,764)	-	-	-

(Continued)

ASIA OPTICAL CO., INC. AND SUBSIDIARIES

CONSOLIDATED 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**	**%**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	$ 1,014,628	4	$ (109,472)	(1)
Other comprehensive income (loss) for the year	1,010,129	4	(115,095)	(1)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 3,038,560	13	$ 972,489	5
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 1,615,785	7	$ 776,955	4
Non-controlling interests	412,646	2	310,629	2
	$ 2,028,431	9	$ 1,087,584	6
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 2,506,869	11	$ 684,222	4
Non-controlling interests	531,691	2	288,267	1
	$ 3,038,560	13	$ 972,489	5
EARNINGS PER SHARE (Note 26)				
Basic	$ 5.79		$ 2.78	
Diluted	$ 5.74		$ 2.75	

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

ASIA OPTICAL CO., INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Equity Attributable to Owners of the Company										
			Retained Earnings (Notes 4 and 22)			Other Equity (Note 4)					
	Ordinary Shares (Note 22)	Capital Surplus (Notes 4 and 22)	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares (Note 22)	Total	Non-controlling Interests (Note 4)	Total Equity
BALANCE AT JANUARY 1, 2023	$ 2,810,839	$ 5,400,198	$ 2,040,613	$ 1,085,120	$ 1,452,121	$ (276,073)	$ -	$ (109,630)	$ 12,403,188	$ 2,294,730	$ 14,697,918
Appropriation of 2022 earnings											
Legal reserve	-	-	59,869	-	(59,869)	-	-	-	-	-	-
Special reserve	-	-	-	(803,250)	803,250	-	-	-	-	-	-
Cash dividends, NT$1.90 per share	-	-	-	-	(530,563)	-	-	-	(530,563)	-	(530,563)
Net profit for the year ended December 31, 2023	-	-	-	-	776,955	-	-	-	776,955	310,629	1,087,584
Other comprehensive loss for the year ended December 31, 2023, net of income tax	-	-	-	-	(5,670)	(87,063)	-	-	(92,733)	(22,362)	(115,095)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	771,285	(87,063)	-	-	684,222	288,267	972,489
Treasury shares retired	(18,400)	(34,878)	-	-	(56,352)	-	-	109,630	-	-	-
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(312,240)	(312,240)
BALANCE AT DECEMBER 31, 2023	2,792,439	5,365,320	2,100,482	281,870	2,379,872	(363,136)	-	-	12,556,847	2,270,757	14,827,604
Appropriation of 2023 earnings											
Legal reserve	-	-	71,493	-	(71,493)	-	-	-	-	-	-
Special reserve	-	-	-	87,063	(87,063)	-	-	-	-	-	-
Cash dividends, NT$1.80 per share	-	-	-	-	(502,639)	-	-	-	(502,639)	-	(502,639)
Net profit for the year ended December 31, 2024	-	-	-	-	1,615,785	-	-	-	1,615,785	412,646	2,028,431
Other comprehensive income for the year ended December 31, 2024, net of income tax	-	-	-	-	20,876	895,972	(25,764)	-	891,084	119,045	1,010,129
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	1,636,661	895,972	(25,764)	-	2,506,869	531,691	3,038,560
Change in ownership interests in subsidiaries	-	111,483	-	-	-	-	-	-	111,483	(111,483)	-
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(76,736)	(76,736)
BALANCE AT DECEMBER 31, 2024	$ 2,792,439	$ 5,476,803	$ 2,171,975	$ 368,933	$ 3,355,338	$ 532,836	$ (25,764)	$ -	$ 14,672,560	$ 2,614,229	$ 17,286,789

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

ASIA OPTICAL CO., INC. AND SUBSIDIARIES

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

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 2,485,729	$ 1,319,840
Adjustments for:		
Depreciation expense	673,581	550,959
Amortization expense	37,022	33,105
Expected credit loss (gain)	(4,074)	6,128
Net gain on financial assets at fair value through profit or loss	(77,743)	(1,951)
Finance costs	1,062	1,334
Interest income	(456,964)	(330,864)
Dividend income	-	(9,310)
Share of profit of associates	(2,671)	(1,690)
Loss on disposal of property, plant and equipment	891	7,360
Write-down of inventories	30,144	3,237
Net loss on foreign currency exchange	224,478	58,491
Recognition of provisions	24	29
Net changes in operating assets and liabilities:		
Notes receivable	30,592	(33,407)
Trade receivables	(337,433)	(508,173)
Other receivables	(7,107)	64,016
Inventories	(490,958)	580,720
Other current assets	(14,648)	25,333
Contract liabilities	(22,443)	54,941
Notes payable	(1,456)	(3,172)
Trade payables	1,208,726	418,984
Other payables	467,999	(59,383)
Other current liabilities	4,859	3,853
Net defined benefit liabilities	(10,639)	(9,710)
Cash generated from operations	3,738,971	2,170,670
Interest received	456,964	330,864
Interest paid	(1,062)	(1,334)
Income tax paid	(368,148)	(260,348)
Net cash generated from operating activities	3,826,725	2,239,852
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	-	(80,513)
Purchase of financial assets at amortized cost	(115,860)	(89,016)
Proceeds from sale of financial assets at amortized cost	137,530	-
Proceeds from disposal of financial assets at fair value through profit or loss	153,605	-
Proceeds from capital reduction of financial assets at fair value through profit or loss	66,041	-
Payments for property, plant and equipment	(601,719)	(359,511)
Proceeds from disposal of property, plant and equipment	34,255	5,646

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ASIA OPTICAL CO., INC. AND SUBSIDIARIES

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

	2024	2023
Decrease (Increase) in refundable deposits	$ 109	$ (26)
Payments for intangible assets	(17,286)	(38,237)
Increase in prepayments for equipment	(294,857)	(175,576)
Dividends received	-	9,310
Net cash used in investing activities	(638,182)	(727,923)
CASH FLOWS USED IN FINANCING ACTIVITES		
Increase (Decrease) in guarantee deposits received	3,760	(4,027)
Repayment of the principal portion of lease liabilities	(20,005)	(20,554)
Dividends paid to owners of the Company	(502,639)	(530,563)
Change in non-controlling interests	(76,736)	(312,240)
Net cash used in financing activities	(595,620)	(867,384)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	801,968	(76,768)
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,394,891	567,777
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	9,746,889	9,179,112
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 13,141,780	$ 9,746,889

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

1. GENERAL INFORMATION

Asia Optical Co., Inc. (the “Company”) was incorporated in the Republic of China (ROC) in October 1980 according to the Company Law of the ROC. The Company mainly manufactures, processes and sells cameras, riflescopes, photocopier lens, scanner lens and optical components.

The Company’s shares have been listed on the Taiwan Stock Exchange (TWSE) since August 2002.

The consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on March 4, 2025.

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

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 a material impact on the Group’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)

Note: 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 Group 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.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
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"	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 Group 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 Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group 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 Group as a whole, the Group 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 consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended standards and interpretations on the Group'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 consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values and defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which 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 the 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 the asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;

- Assets expected to be realized within 12 months after the reporting period; and

- 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:

- Liabilities held primarily for the purpose of trading;

- Liabilities due to be settled within 12 months after the reporting period, and

- Liabilities for which the Group 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. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

Refer to Note 12, Tables 6 and 7 for the detailed information of subsidiaries (including the percentage of ownership and main business).

e. Foreign currencies

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

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

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 consolidated financial statements, the functional currencies of the Group and its entities (including subsidiaries, associates, joint ventures and branches in other countries) 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; 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 (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Company’s entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

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

f. 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. 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 standard cost and adjusted to weighted-average cost on the balance sheet date.

g. Investment in associates

An associate is an entity over which the Group has significant influence and that is not a subsidiary. The Group uses the equity method to account for its investments in associates.

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

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

When the Group’s share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group’s net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is deducted from the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment’s fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

When an entity in the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group’s consolidated financial statements only to the extent of interests in the associate of parties that are not related to the Group.

h. Property, plant, and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment loss.

Except 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 method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

i. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized using the straight-line method.

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

j. Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributable goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

k. 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 life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate 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.

l. Impairment of property, plant and equipment, right-of-use assets, investment properties and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, investment 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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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, cash-generating unit or assets related to contract costs 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, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

m. Financial instruments

Financial assets and financial liabilities are recognized when an entity in the Group 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 way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Category of financial assets and measurement

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

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, the net gain or loss recognized in profit or loss incorporates any interest earned on the financial asset. Fair value is determined in the manner described in Note 29.

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, trade and notes receivables at amortized cost, other financial assets 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 asset, 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 asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

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

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. The Group recognizes lifetime ECLs when the credit risk on a financial instrument has not increased significantly since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss resulting from possible default events of a financial instrument within 12 months. If, on the other hand, there has been a significant increase in credit risk since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss resulting from all possible default events over the expected life of a financial instrument.

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, the Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Group):

i. Internal or external information show that the debtor is unlikely to pay its creditors.

ii. When a financial asset is more than 365 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

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 Group 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. On derecognition of an investment in an equity instrument at FVTOCI, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Financial liabilities

a) Subsequent measurement

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.

n. 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.

o. Revenue recognition

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

For contracts where the period between the date on which the Group transfers a promised good or service to a customer and the date on which the customer pays for that good or service is one year or less, the Group does not adjust the promised amount of consideration for the effects of a significant financing component.

Sales of such goods are recognized as revenue when the goods are delivered to the customer's specific location/the goods are shipped 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. Revenue and trade receivables are recognized concurrently. When the customer initially purchases the goods, the transaction price received is recognized as a contract liability until the goods have been delivered to the customer.

p. Leasing

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Rental income from operating leases is recognized on a straight-line basis over the terms of the relevant leases.

2) The Group as lessee

The Group 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 applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities.

Right-of-use assets are presented on a separate line in the consolidated 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 Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group 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 consolidated balance sheets.

q. 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 service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur, when the plan amendment or curtailment occurs. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

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

r. 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 the 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 amount 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 research and development expenditures 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 Group 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 only recognized 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 they 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 asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

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

When developing material accounting estimates, the Group considers the possible impact on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Based on the assessment of the Group’s management, the accounting policies, estimates, and assumptions adopted by the Group have not been subject to material accounting judgements, estimates and assumptions uncertainty.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	**2023**
Cash on hand	$ 50,414	$ 16,843
Checking accounts and demand deposits	2,652,505	1,541,718
Cash equivalent (Time deposits with original maturities of less than three months)	10,438,861	8,188,328
	$ 13,141,780	$ 9,746,889
Market rate intervals of cash in bank (%)	0.001-4.96	0.001-5.76

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - NON-CURRENT

	December 31	
	2024	**2023**
Unlisted shares		
OTO Brite Electronics, Inc. (“OTO Brite”)	$ 27,896	$ 42,498
Guangdong Xinwei Automobile Technology Co., Ltd (“Guangdong Xinwei”)	4,760	4,525
Pioneer Technology Co., Ltd. (“Pioneer”)	-	121,723
B-STORM. CO., LTD. (“B-STORM”)	-	-
Shisei Datum Ltd. (“Shisei Datum”)	-	-
	$ 32,656	$ 168,746

The shareholders’ meeting of Pioneer in 2024 resolved a capital reduction and refunded $66,041 thousand to the Group in proportion to capital contribution. In December 2024, the Group sold its all shares of Pioneer for $153,605 thousand.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT

	December 31	
	2024	**2023**
Unlisted shares		
Myrias Optics, Inc. (“Myrias”)	$ 54,749	$ 80,513

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

9. FINANCIAL ASSETS AT AMORTIZED COST – CURRENT

	December 31	
	2024	**2023**
Time deposits with original maturities of more than 3 months	$ 156,095	$ 174,941
Market rate intervals of time deposits (%)	1.29-1.69	1.31-1.565

10. TRADE RECEIVABLES

	December 31	
	2024	**2023**
At amortized cost		
Gross carrying amount	$ 4,845,785	$ 4,326,722
Less: Allowance for impairment loss	(26,178)	(53,929)
	$ 4,819,607	$ 4,272,793

The average credit period of sales of goods is 30 to 240 days. The Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and reviewed by the management annually.

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.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Group'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 days from the invoice date is not further distinguished according to the Group's different customer base.

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

The following table details the loss allowance of trade receivables:

	Less than 90 days	91 to 120 Days	121 to 150 Days	151 to 180 Days	181 to 210 Days	Over 211 Days	Total
December 31, 2024							
Expected credit loss rate (%)	0-1.00	0-5.56	0-23.91	0-32.63	0-68.80	0-100	
Gross carrying amount	$4,504,273	$ 276,951	$ 30,230	$ 13,275	$ 1,606	$ 19,450	$4,845,785
Loss allowance (Lifetime ECLs)	(10,383)	(1,567)	(2,564)	(1,435)	(377)	(9,852)	(26,178)
Amortized cost	$4,493,890	$ 275,384	$ 27,666	$ 11,840	$ 1,229	$ 9,598	$4,819,607
December 31, 2023							
Expected credit loss rate (%)	0-2.43	0-5.56	0-23.91	0-32.63	0-68.80	0-100	
Gross carrying amount	$3,639,757	$ 475,076	$ 83,456	$ 94,401	$ 15,472	$ 18,560	$4,326,722
Loss allowance (Lifetime ECLs)	(21,227)	(9,087)	(4,535)	(6,321)	(39)	(12,720)	(53,929)
Amortized cost	$3,618,530	$ 465,989	$ 78,921	$ 88,080	$ 15,433	$ 5,840	$4,272,793

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

	For the Year Ended December 31	
	2024	2023
Balance at January 1	$ 53,929	$ 47,854
Add (less): Net remeasurement of loss allowance	(4,074)	6,128
Less: Amounts written off	(25,816)	-
Foreign exchange gains and losses	2,139	(53)
Balance at December 31	$ 26,178	$ 53,929

11. INVENTORIES

	December 31	
	2024	2023
Raw materials	$ 2,176,330	$ 1,564,270
Supplies	60,346	45,222
Work in progress	492,753	376,076
Finished goods	865,551	818,345
	$ 3,594,980	$ 2,803,913

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

	For the Year Ended December 31	
	2024	2023
Cost of inventories sold	$ 18,737,483	$ 14,642,119
Inventory write-downs	30,144	3,237
	$ 18,767,627	$ 14,645,356

12. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

		% of Ownership	
Investor	Investee	December 31, 2024	December 31, 2023
Asia Optical	Asia Optical International Ltd. (“Asia International”)	100	100
	Powerlink Electronic International Ltd. (“Powerlink”)	100	100
	Richman International Group Co., Ltd. (“Richman”)	100	100
	Taiwan Top Optical Co., Ltd. (“Taiwan Top”)	94	94
	Asia Tech Image, Inc. (“Asia Tech”)	26	26
Asia Optical	Powerlink Electronic International (Cayman) Ltd. (“Powerlink Cayman”)	100	100
	Asia Optical Philippines Inc. （“AOPI”）	100	-
Asia Optical and Asia International	AOE Optronics Co., Ltd. (“AOE Optronics”)	93	98
Asia Optical, Richman and Asia International	Dong-Guan Tailien Optical Co., Ltd. (“Dong-Guan Tailien”)	90	90
Asia International	Dong-Guan Sintai Optical Co., Ltd. (“Dong-Guan Sintai”)	100	100
	Shen Zhen Sintai Optical Co., Ltd. (“Shen Zhen Sintai”)	100	100
	Sintai Photonics Technology (Shang Hai) Ltd. (“Shang Hai Sintai”)	100	100

(Continued)

Investor	Investee	% of Ownership December 31, 2024	December 31, 2023
Asia International	AOI Development Center, Limited ("AOIDC")	100	100
	Myanmar Asia Optical International Co., Ltd. ("Myanmar Asia")	100	100
Richman	Crosszone Limited ("Crosszone")	100	100
Richman and Asia International	Yorkey Optical International (Cayman) Ltd. ("Yorkey Cayman")	100	100
Powerlink	Scopro Optical Co., Ltd. ("Scopro")	100	100
Asia Tech	Asia Image (Samoa) Technology Limited ("Asia Tech Samoa")	100	100
Asia Tech Samoa	Atii Tech Image (Shen Zhen) Co., Ltd. ("Shen Zhen Atii")	100	100
AOE Optronics	AOE International (Cayman) Limited (AOE Cayman)	100	100
AOE Cayman	AOE Optronics (Shen Zhen) Ltd. ("AOE Shen Zhen")	100	100
Powerlink Cayman	Asia Scopro Optics Co., Inc. (Asia Scopro)	100	100
	ASAM Industries Inc. ("ASAM")	100	100
Yorkey Cayman	Yorkey Optical Technology Limited ("Yorkey Technology")	100	100
Yorkey Technology	Dong-Guan Yorkey Optical Co., Ltd. ("Dong-Guan Yorkey")	100	100

(Concluded)

The dissolution of Pentax Sintai Holding Co., Limited was approved by the board of directors in December 2021; thus, the related income and expenses were excluded from the consolidated statements of comprehensive income, the process of liquidation had been completed in December 2023.

The dissolution of Powerlink Electronic International (Cayman) Limited Taiwan Branch was approved by the board of directors in December 2022. The process of liquidation has been completed in June 2023.

In March 2024, AOE Optronics issued new shares. The Group subscribed for additional new shares of AOE Optronics at a percentage different from its existing ownership percentage, thereby decreasing its continuing interest from 98.01% to 93.10%. The effect of ownership interest change is recognized in the capital reserve.

The Company invested NT$6,509 thousand to establish AOPI in November 2024. The Company obtained 100% ownership interest in AOPI .

Restricted by local laws, the Company entrusted others to invest in Scopro, Asia Scopro and ASAM; The Company still has a 100% ownership interest in the subsidiaries mentioned above.

b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests December 31 2024	2023
Asia Tech	74%	74%

Refer to Table 6 and 7 for the information on principal place of business and place of incorporation.

Summarized financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

Asia Tech and Asia Tech's subsidiaries

	December 31 2024	2023
Current assets	$ 4,411,796	$ 3,609,408
Non-current assets	221,945	269,416
Current liabilities	(1,164,134)	(770,222)
Non-current liabilities	(79,456)	(96,847)
Equity	$ 3,390,151	$ 3,011,755
Equity attributable to:		
Owners of Asia Tech	$ 889,915	$ 790,586
Non-controlling interests of Asia Tech	2,500,236	2,221,169
	$ 3,390,151	$ 3,011,755

	For the Year Ended December 31 2024	2023
Revenue	$ 4,393,068	$ 3,539,084
Net profit from continuing operations	$ 528,427	$ 408,854
Other comprehensive income (loss) for the year	154,469	(29,458)
Total comprehensive income for the year	$ 682,896	$ 379,396
Profit attributable to:		
Owners of Asia Tech	$ 138,712	$ 107,324
Non-controlling interests of Asia Tech	389,715	301,530
	$ 528,427	$ 408,854

	For the Year Ended December 31	
	2024	2023
Total comprehensive income attributable to:		
Owners of Asia Tech	$ 179,246	$ 99,572
Non-controlling interests of Asia Tech	503,650	279,824
	$ 682,896	$ 379,396
Net cash inflow from:		
Operating activities	$ 683,576	$ 549,416
Investing activities	(34,099)	(22,085)
Financing activities	(320,175)	(438,929)
Net cash inflow	$ 329,302	$ 88,402

13. OTHER CURRENT ASSETS

	December 31	
	2024	2023
Prepayments	$ 128,337	$ 107,592
Net input VAT	18,124	9,754
Other	12,240	21,099
	$ 158,701	$ 138,445

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31			
	2024		2023	
Investee	Carrying Amount	% of Ownership	Carrying Amount	% of Ownership
Unlisted companies				
Dong-Guan Nikon Surveying Instruments Co., Ltd. (Dong-Guan Nikon)	$ 52,880	40	$ 47,690	40

Refer to Table 7 for the nature of activities, principal place of business and country of incorporation of the associate.

Investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have been audited.

15. PROPERTY, PLANT AND EQUIPMENT

	For the Year Ended December 31, 2024					
	Balance, Beginning of Year	Additions	Decrease	Reclassification	Effect of Foreign Currency Exchange Differences	Balance, End of Year
Cost						
Land	$ 308,219	$ -	$ -	$ -	$ (1,321)	$ 306,898
Buildings	2,463,261	11,098	(22,966)	-	112,366	2,563,759
Machinery and equipment	7,265,758	373,161	(214,181)	4,530	394,337	7,823,605
Office equipment	398,666	444	(8,281)	-	20,453	411,282
Other equipment	2,624,604	148,074	(48,472)	115,657	143,227	2,983,090
Construction in progress	237	131,982	-	(70)	(610)	131,539
	13,060,745	$ 664,759	$ (293,900)	$ 120,117	$ 668,452	14,220,173
Accumulated depreciation						
Buildings	1,716,766	$ 160,740	$ (22,966)	$ -	$ 86,031	1,940,571
Machinery and equipment	6,375,184	244,748	(180,595)	-	356,278	6,795,615
Office equipment	357,799	19,018	(8,274)	-	18,836	387,379
Other equipment	2,022,453	182,052	(46,919)	-	110,479	2,268,065
	10,472,202	$ 606,558	$ (258,754)	$ -	$ 571,624	11,391,630
	$ 2,588,543					$ 2,828,543

	For the Year Ended December 31, 2023					
	Balance, Beginning of Year	Additions	Decrease	Reclassification	Effect of Foreign Currency Exchange Differences	Balance, End of Year
Cost						
Land	$ 310,936	$ -	$ -	$ -	$ (2,717)	$ 308,219
Buildings	2,496,126	2,664	(4,762)	(7,014)	(23,753)	2,463,261
Machinery and equipment	7,405,830	157,069	(270,956)	44,129	(70,314)	7,265,758
Office equipment	409,733	1,024	(5,415)	(41)	(6,635)	398,666
Other equipment	2,400,530	203,390	(103,150)	160,917	(37,083)	2,624,604
Construction in progress	1,216	103	-	(1,084)	2	237
	13,024,371	$ 364,250	$ (384,283)	$ 196,907	$ (140,500)	13,060,745
Accumulated depreciation						
Buildings	1,653,905	$ 93,787	$ (2,854)	$ (6,941)	$ (21,131)	1,716,766
Machinery and equipment	6,485,878	218,354	(260,277)	270	(69,041)	6,375,184
Office equipment	341,276	23,301	(5,247)	(27)	(1,504)	357,799
Other equipment	1,998,841	148,384	(102,899)	6,698	(28,571)	2,022,453
	10,479,900	$ 483,826	$ (371,277)	$ -	$ (120,247)	10,472,202
	$ 2,544,471					$ 2,588,543

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

Buildings	
Main buildings	25-50 years
Others	2-20 years
Machinery and equipment	2-12 years
Office equipment	2-8 years
Other equipment	2-35 years

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2024	2023
Carrying amount		
Land	$ 237,889	$ 235,084
Buildings	36,667	25,321
Other equipment	332	685
	$ 274,888	$ 261,090

	For the Year Ended December 31	
	2024	2023
Additions		
Land	$ -	$ 7,350
Buildings	32,289	2,387
Other equipment	-	582
	$ 32,289	$ 10,319
Depreciation charge for right-of-use assets		
Land	$ 11,495	$ 11,218
Buildings	17,605	18,589
Other equipment	353	367
	$ 29,453	$ 30,174

Besides the addition and recognized depreciation expenses, there were no material subleases and impairment loss of the right-of-use assets of the Group for the years ended December 31, 2024 and 2023.

b. Lease liabilities

	December 31	
	2024	2023
Carrying amount		
Current	$ 18,321	$ 18,057
Non-current	$ 24,694	$ 16,049

Range of discount rates for lease liabilities was as follows:

	December 31	
	2024	2023
Land	2%	2%
Buildings	1.5%-5%	1.1%-5%
Office equipment	2%-4.75%	2%-4.75%
Other equipment	1.5%-4.75%	1.5%-4.75%

	For the Year Ended December 31	
	2024	2023
Finance costs		
Interest expense from lease liabilities	$ 1,062	$ 1,334

c. Material lease-in activities and terms

The Group leases lands and buildings for the use of plants and offices with lease terms of 2 to 50 years. The lease contracts for land located in the ROC's export processing zone specify that lease payments will be adjusted in the next month after change in land value prices is announced. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Group 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	$ 15,760	$ 15,518
Total cash outflow for leases	$ 36,827	$ 37,406

17. INVESTMENT PROPERTIES

	Balance, Beginning of Year	Additions	Reclassification	Effect of Foreign Currency Exchange Differences	Balance, End of Year
For the Year Ended December 31, 2024					
Cost	$ 1,124,985	$ -	$ -	$ 61,419	$ 1,186,404
Accumulated depreciation	(798,668)	$ (37,570)	$ -	$ (43,113)	(879,351)
	$ 326,317				$ 307,053
For the Year Ended December 31, 2023					
Cost	$ 1,141,001	$ -	$ -	$ (16,016)	$ 1,124,985
Accumulated depreciation	(774,549)	$ (36,959)	$ -	$ 12,840	(798,668)
	$ 366,452				$ 326,317

The investment properties are depreciated using the straight-line method over 20-50 years.
The market for comparable properties is inactive and alternative reliable measurements of fair value are not available; therefore, the Group determined that the fair value of the investment property is not reliably measurable.

18. OTHER INTANGIBLE ASSETS

	December 31	
	2024	2023
Computer software	$ 24,723	$ 38,662
Goodwill	14,883	14,883
Others	20,032	25,735
	$ 59,638	$ 79,280

The computer software is amortized on a straight-line basis over 1 to 10 years.

19. OTHER PAYABLES

	December 31	
	2024	2023
Salaries and rewards	$ 1,173,740	$ 1,006,220
Compensation of employees and remuneration of directors	479,570	265,411
Payables for consumables, supplies and packing charges	200,099	196,840
Payables for annual leave	49,594	53,322
Others	676,410	409,643
	$ 2,579,413	$ 1,931,436

20. PROVISIONS

	December 31	
	2024	2023
Employee benefits (other non-current liabilities)	$ 2,338	$ 2,314

Employee benefits refer to estimates of certain long-term benefits.

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company, Taiwan Top, Asia Tech, and AOE Optronics adopted a pension plans under the Labor Pension Act (LPA) which is a state-managed defined contribution plans. Under the LPA, an entity makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group’s subsidiary in China and Japan are members of a state-managed retirement benefit plan operated by the government of China and Japan. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

Yorkey Cayman operates a Mandatory Provident Fund Scheme for all qualified employees in Hong Kong. The assets of the scheme are held separately from those of Yorkey Cayman, in funds under the control of trustees. Yorkey Cayman and each of the employees make monthly mandatory contributions to the scheme.

b. Defined benefit plan

The Company, Taiwan Top, and Asia Tech adopted the defined benefit plan under the Labor Standards Act, in which pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The ROC companies contribute amounts equal to 2% to 7% of total monthly salaries and wages to a pension fund administered by the Pension Fund Monitoring Committee. Pension contributions are deposited in the Bank of Taiwan in the Committee's name. Taiwan Top applied for a suspension of pension contribution to the pension fund, and this application was approved by the Changhua County Government in July 2023. Asia Tech also applied for a suspension of pension contribution to the pension fund, and this application was approved by the New Taipei City Government in 2023. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds (the "Bureau") under the Ministry of Labor; the Group has no right to influence the fund investment policy and strategy.

Scopro does not have an established retirement plan and only conforms to the minimum regulatory benefits under the Retirement Pay Law (Republic Act No. 7641), which provides retirement benefits for each year of credited service under the final salary pension scheme.

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

	December 31	
	2024	**2023**
Present value of defined benefit obligation	$ 289,471	$ 292,824
Fair value of plan assets	(202,399)	(174,045)
Net defined benefit liability	$ 87,072	$ 118,779

Movements in net defined benefit liability were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liability**
Balance at January 1, 2024	$ 292,824	$ (174,045)	$ 118,779
Service cost			
Current service cost	798	-	798
Net interest expense (income)	4,153	(2,240)	1,913
Recognized in profit or loss	4,951	(2,240)	2,711
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(15,498)	(15,498)
Actuarial gain - changes in demographic assumptions	(6,868)	-	(6,868)
Actuarial gain - changes in financial assumptions	(3,874)	-	(3,874)
Actuarial loss - experience adjustments	4,975	-	4,975
Recognized in other comprehensive income	(5,767)	(15,498)	(21,265)

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability
Contributions from the employer	$ -	$ (14,466)	$ (14,466)
Paid from plan assets	(3,850)	3,850	-
Paid by the Group	(2,024)	-	(2,024)
Exchange differences on foreign plans	3,337	-	3,337
Balance at December 31, 2024	$ 289,471	$ (202,399)	$ 87,072
Balance at January 1, 2023	$ 292,892	$ (170,248)	$ 122,644
Service cost			
Current service cost	1,140	-	1,140
Effect of transfer	(593)	-	(593)
Net interest expense (income)	4,980	(2,638)	2,342
Recognized in profit or loss	5,527	(2,638)	2,889
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(989)	(989)
Actuarial gain - changes in demographic assumptions	3,359	-	3,359
Actuarial gain - changes in financial assumptions	1,643	-	1,643
Actuarial loss - experience adjustments	1,610	-	1,610
Recognized in other comprehensive income	6,612	(989)	5,623
Contributions from the employer	-	(10,494)	(10,494)
Paid from plan assets	(10,324)	10,324	-
Paid by the Group	(2,107)	-	(2,107)
Exchange differences on foreign plans	224	-	224
Balance at December 31, 2023	$ 292,824	$ (174,045)	$ 118,779

(Concluded)

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

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government and corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

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

	December 31	
	2024	**2023**
Discount rates	1.5%-6.04%	1.25%-6.07%
Expected rates of salary increase	2%-2.25%	2%-2.25%

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

1) The Company, Taiwan Top and Asia Tech

	December 31	
	2024	**2023**
Discount rates		
0.25% increase	$ (5,878)	$ (6,461)
0.25% decrease	$ 6,070	$ 6,686
Expected rates of salary increase		
0.25% increase	$ 6,025	$ 6,624
0.25% decrease	$ (5,853)	$ (6,421)

2) Scopro

	December 31	
	2024	**2023**
Discount rates		
0.5% increase	$ (264)	$ (355)
0.5% decrease	$ 278	$ 376
Expected rates of salary increase		
0.5% increase	$ 288	$ 389
0.5% decrease	$ (275)	$ (370)

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

	December 31	
	2024	**2023**
The expected contributions to the plan for the next year	$ 15,840	$ 10,260
The average duration of the defined benefit obligation	8.1-10.7 years	9.2-11.8 years

22. EQUITY

a. Ordinary shares

	December 31	
	2024	2023
Number of shares authorized (in thousands)	313,000	313,000
Shares authorized	$ 3,130,000	$ 3,130,000
Number of shares issued and fully paid (in thousands)	279,244	279,244
Shares issued	$ 2,792,439	$ 2,792,439

Fully paid ordinary shares, which have a par value of NT$10, carry one vote per share and carry a right to dividends.

On March 7, 2023, the Company's board of directors resolved to cancel 1,840 thousand treasury shares with a par value of NT$10 per share, reducing the issued ordinary shares by NT$18,400 thousand, and set March 7, 2023 as the base date of capital reduction, which was approved by the Financial Supervisory Commission, and the registration procedures were completed.

b. Capital surplus

	December 31	
	2024	2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Recognized from issuance of ordinary shares	$ 430,838	$ 430,838
Recognized from conversion of bonds	4,660,886	4,660,886
May be used to offset a deficit only (2)		
Recognized from changes in ownership interest in subsidiaries	183,844	72,361
Recognized from interest payable compensation of convertible bonds	74,343	74,343
Others - share options expired	126,892	126,892
	$ 5,476,803	$ 5,365,320

1) 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 once a year.

2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary resulting from equity transactions other than actual disposal or acquisition, from changes in the capital surplus of subsidiaries accounted for using the equity method, or from the compensation of convertible bonds and expired share options not received when exercising the share options of convertible bonds.

c. Retained earnings and dividends policy

Under the dividend policy as set forth in the Articles, where the Company made 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, except when the legal reserve equals the Company's total issued capital, and setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonuses to shareholders. For the policies on distribution of compensation of employees and remuneration of directors refer to Note 24.

In accordance with Article 240 of Company Act, the dividends and bonuses, capital surplus, or legal reserve can be distributed in the whole or in part by cash in accordance with Article 241 of the Company Act after a resolution has been adopted by a majority of directors present at a meeting of the board of directors attended by two-thirds of the total number of directors; in addition, a report of such distribution shall be submitted to the shareholders' meeting.

Under the Company Law of the ROC and the Company's Articles of Incorporation, in deciding its stock dividend policy, the Company should consider that it is currently expanding and has a great demand for capital. Thus, for a stable dividend policy, the board of directors should take into account the results of operations, financial position and capital demand of the Company when deciding the type of dividends (cash or shares) to be distributed. Total dividends paid should be less than 90% of retained earnings available for appropriation, and the cash dividends must be more than 10% of total dividends paid.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficit. 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 Company specifies that when the special reserve is allocated from the net deduction of other equity accumulated in the previous period, if the undistributed surplus in the previous period is insufficient for allocation, the after-tax net income plus items other than the after-tax net income of the current period will be added into the undistributed surplus of the current period for the allocation.

The appropriations of earnings for 2023 and 2022 were resolved by the shareholders' meeting in May and in June 2024 and 2023 as follows:

	Appropriation of Earnings		**Dividends Per Share (NT$)**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2023	**2022**	**2023**	**2022**
Legal reserve	$ 71,493	$ 59,869		
Special reserve (reversed)	87,063	(803,250)		
Cash dividends	502,639	530,563	$ 1.80	$ 1.90

The appropriation of earnings for 2024 was proposed by the Company's board of directors in March 2025. The appropriation of earnings for 2024 was as follows:

	Appropriation of Earnings	**Dividends Per Share (NT$)**
Legal reserve	$ 163,666	
Special reserve	(363,136)	
Cash dividends	1,116,976	$ 4.00

The above appropriation for cash dividends was resolved by the Company's board of directors; the other proposed appropriations will be resolved by the shareholders in their meeting to be held in May 2025.

d. Treasury shares

Purpose of Buyback	Number of Shares at January 1, 2023 (In Thousands of Shares)	Increase	Decrease	Number of Shares at December 31, 2023 (In Thousands of Shares)
Maintain the Company's creditworthiness and shareholders' interests	1,840	-	(1,840)	-

Under the Securities Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholder's rights on these shares, such as rights to dividends and to vote.

23. REVENUE

	For the Year Ended December 31	
	2024	2023
Revenue from contracts with customers		
Revenue from sale of goods	$ 23,047,473	$ 17,830,192

The rate of discount is estimated using the most likely amount, taking into account the Group's accumulated historical experience of discount. The balance of refund liability was as follows:

	December 31	
	2024	2023
Refund liability	$ 36,951	$ 36,951

a. Contract information

	December 31		January 1
	2024	2023	2023
Notes receivable and trade receivables	$ 4,897,154	$ 4,376,295	$ 3,908,686
Contract liabilities			
Sale of goods	$ 374,558	$ 393,691	$ 339,150

b. Disaggregation of revenue

Refer to Note 34 for information about disaggregation of revenue.

	For the Year Ended December 31	
	2024	2023
Timing of revenue recognition		
Satisfied at a point in time	$ 23,047,473	$ 17,830,192

24. NET PROFIT FROM CONTINUING OPERATIONS

a. Other income

	For the Year Ended December 31	
	2024	2023
Rental income (Note 30)	$ 23,207	$ 23,973
Dividend income	-	9,310
Others	48,774	75,105
	$ 71,981	$ 108,388

b. Other losses

	For the Year Ended December 31	
	2024	2023
Loss on disposal of property, plant and equipment	$ (891)	$ (7,360)
Other expenses	(4,420)	(3,484)
	$ (5,311)	$ (10,844)

c. Employee benefit, depreciation and amortization expenses

	For the Year Ended December 31					
	2024			2023		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefit expense						
Salaries and bonuses	$ 3,255,152	$ 1,264,790	$ 4,519,942	$ 2,610,473	$ 1,104,403	$ 3,714,876
Other employee benefits	386,258	145,337	531,595	313,992	129,321	443,313
Post-employment benefits						
Defined contribution plans	181,831	79,975	261,806	164,919	78,174	243,093
Defined benefit plans	1,719	992	2,711	2,122	767	2,889
Depreciation	497,610	175,971	673,581	392,499	158,460	550,959
Amortization	948	36,074	37,022	1,879	31,226	33,105

d. Compensation of employees and remuneration of directors

According to the policy as set forth in the Articles, the Company accrues compensation of employees and remuneration of directors at rates of 5% to 20% and no higher than 3.5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and remuneration of directors for the years ended December 31, 2024 and 2023, which were approved by the Company's board of directors in March 2025 and March 2024, respectively, were as follows:

	2024		2023	
	Accrual Rate	Amount	Accrual Rate	Amount
Compensation of employees	15%	$ 310,500	16%	$ 160,000
Remuneration of directors	2%	40,000	2%	20,000

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

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

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

25. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Major components of tax expense recognized in profit or loss

	For the Year Ended December 31	
	2024	2023
Current tax		
In respect of the current year	$ 449,249	$ 255,039
Income tax on unappropriated earnings	7,300	57,031
Adjustment for prior years	(7,183)	(76,725)
	449,366	235,345
Deferred tax		
In respect of the current year	8,028	(3,089)
Adjustment for prior years	(96)	-
	7,932	(3,089)
Income tax expense recognized in profit or loss	$ 457,298	$ 232,256

b. A reconciliation of accounting profit and income tax expenses is as follows:

	For the Year Ended December 31	
	2024	2023
Income tax expense calculated at the statutory rate	$ 395,974	$ 261,136
Permanent differences	116,802	26,483
Income tax on unappropriated earnings	7,300	57,031
Temporary differences	(17,795)	(20,732)
Loss carryforwards used	(22,357)	-
Unrecognized loss carryforwards	-	3,419
Unrecognized investment credits	(22,735)	(21,427)
Adjustments for prior years' tax and deferred tax	(7,279)	(76,725)
Income tax on repatriated earnings from overseas subsidiaries	7,388	3,071
Income tax expense recognized in profit or loss	$ 457,298	$ 232,256

c. Deferred tax assets and liabilities

For the year ended December 31, 2024

	Opening Balance	Recognized in Profit or Loss	Exchange Differences	Closing Balance
Deferred Tax Assets				
Temporary differences				
Unrealized foreign exchange loss	$ 26,727	$ 17,042	$ 97	$ 43,866
Unrealized inventory loss	4,093	28	6	4,127
Others	6,870	4,954	26	11,850
	$ 37,690	$ 22,024	$ 129	$ 59,843
Deferred Tax Liabilities				
Temporary differences				
Unappropriated earnings of subsidiaries	$ 158,451	$ 24,452	$ -	$ 182,903
Deferred pension expense	9,870	-	-	9,870
Unrealized foreign exchange gain	1,903	5,504	-	7,407
Land value increment tax	2,182	-	-	2,182
	$ 172,406	$ 29,956	$ -	$ 202,362

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Exchange Differences	Closing Balance
Deferred Tax Assets				
Temporary differences				
Unrealized foreign exchange loss	$ 33,914	$ (7,289)	$ 102	$ 26,727
Unrealized inventory loss	3,321	765	7	4,093
Others	6,575	318	(23)	6,870
	$ 43,810	$ (6,206)	$ 86	$ 37,690
Deferred Tax Liabilities				
Temporary differences				
Unappropriated earnings of subsidiaries	$ 163,995	$ (5,544)	$ -	$ 158,451
Deferred pension expense	11,868	(1,998)	-	9,870
Unrealized foreign exchange gain	3,656	(1,753)	-	1,903
Land value increment tax	2,182	-	-	2,182
	$ 181,701	$ (9,295)	$ -	$ 172,406

d. Unused loss carryforwards and deductible temporary differences for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2024	2023
Loss carryforwards		
Expiry in 2024	$ -	$ 173,383
Expiry in 2025	155,493	154,508
Expiry in 2026	136,610	135,630
Expiry in 2027	138,265	137,632
Expiry in 2028	196,999	197,051
Expiry in 2029	267,713	368,978
Expiry in 2030	138,211	138,211
Expiry in 2031	26,060	26,060
Expiry in 2032	50,960	50,960
Expiry in 2033	23,875	24,475
Expiry in 2034	2,937	-
	$ 1,137,123	$ 1,406,888
Deductible temporary differences		
Net defined benefit liabilities	$ 87,072	$ 118,779
Unrealized inventory loss	8,826	8,826
Allowance for impairment loss that exceeded the limitation of tax laws	5,400	5,400
	$ 101,298	$ 133,005

e. Information about unused loss carryforwards

Expiry Year	Unused Amount
2025	$ 155,493
2026	136,610
2027	138,265
2028	196,999
2029	267,713
2030	138,211
2031	26,060
2032	50,960
2033	23,875
2034	2,937
	$ 1,137,123

f. Income tax assessments

The income tax returns of the Company, Asia Tech, AOE Optronics and Taiwan Top through 2022 have been assessed by the tax authorities.

26. EARNINGS PER SHARE

	Net Income (Numerator)	Number of Shares (Denominator In Thousands)	Earnings Per Share NT$
For the year ended December 31, 2024			
Basic EPS			
Net income available to owners of the Company	$ 1,615,785	279,244	$ 5.79
Dilutive effects			
Subsidiaries' compensation of employees	(1,260)	-	
Company's compensation of employees	-	2,077	
Diluted EPS			
Net income available to owners of the Company	$ 1,614,525	281,321	$ 5.74
For the year ended December 31, 2023			
Basic EPS			
Net income available to owners of the Company	$ 776,955	279,244	$ 2.78
Dilutive effects			
Subsidiaries' compensation of employees	(1,572)	-	
Company's compensation of employees	-	2,749	
Diluted EPS			
Net income available to owners of the Company	$ 775,383	281,993	$ 2.75

The Company may settle compensation or bonuses paid to employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares, if dilutive, will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share. 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.

27. NON-CASH TRANSACTIONS

For the years ended December 31, 2024 and 2023, the Group entered into the following non-cash investing and financing activities which were not reflected in the consolidated statements of cash flows:

The Group reclassified prepayments for equipment in the amounts of $120,117 thousand and $196,907 thousand to property, plant and equipment for the years ended December 31, 2024 and 2023, respectively.

28. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued ordinary shares, capital surplus, retained earnings and other equity).

Key management personnel of the Group review the capital structure on a quarterly basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of new debt issued or existing debt redeemed.

29. FINANCIAL INSTRUMENTS

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

1) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
December 31, 2024				
Financial assets at FVTPL				
Foreign unlisted shares	$ -	$ 4,760	$ -	$ 4,760
Domestic unlisted shares	-	27,896	-	27,896
Financial assets at FVTOCI				
Foreign unlisted shares	-	54,749	-	54,749
December 31, 2023				
Financial assets at FVTPL				
Foreign unlisted shares	-	126,248	-	126,248
Domestic unlisted shares	-	42,498	-	42,498
Financial assets at FVTOCI				
Foreign unlisted shares	-	80,513	-	80,513

2) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Domestic/foreign Unlisted shares	Market approach: using the market transaction price and other relevant information of same or comparable (similar) assets and liabilities, or a group of assets and liabilities (e.g., operation). Asset approach: measuring the fair value of individual assets and liabilities at net asset value. Income approach: utilizing discounted cash flows to determine the present value of the expected future economic benefits that will be derived from investment.

b. Categories of financial instruments

	December 31	
	2024	2023
Financial assets		
Financial assets at amortized cost (1)	$ 18,248,115	$ 14,348,637
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	32,656	168,746
Financial assets at FVTOCI		
Equity instruments	54,749	80,513
Financial liabilities		
Financial liabilities at amortized cost (2)	5,553,805	3,643,476

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, time deposits with original maturity of more than 3 months, notes and trade receivables, other receivables and refundable deposits and so on.

2) The balances include financial liabilities at amortized cost, which comprise notes and trade payables, other payables and guarantee deposits received and so on.

c. Financial risk management objectives and policies

The Group's major financial instruments included equity, trade receivables, trade payables and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

Market risk

The Group'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 Group's exposure to market risks or the manner in which these risks were managed and measured.

1) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency-denominated monetary assets and monetary liabilities are shown in Note 32.

Sensitivity analysis

The Group was mainly exposed to the USD, JPY and RMB.

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar (functional currency) against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. Numbers below indicate the change in pre-tax profit or loss associated with the New Taiwan dollar strengthening 1% against the relevant currency:

	For the Year Ended December 31	
	2024	**2023**
Profit or loss		
USD	$ 22,708	$ 33,430
RMB	9,172	6,816
JPY	446	723

In management's opinion, sensitivity analysis was unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

2) Interest rate risk

The Group was exposed to interest rate risk because the Group's deposits and lease liabilities are at both fixed and floating interest rates.
The carrying amounts of the Group's financial assets and lease 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	$ 10,594,956	$ 8,363,269
Lease liabilities	43,015	34,106
Cash flow interest rate risk		
Financial assets	2,504,081	1,472,378

Sensitivity analysis

If interest rates had been 5% basis points higher/lower and all other variables been held constant, the Group's pretax profits for the years ended December 31, 2024 and 2023 would have increased/decreased by $2,604 thousand and $1,885 thousand, respectively. A 5% 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.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of counterparties to discharge an obligation and financial guarantees provided by the Group, could arise from:

a) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and

b) The amount of contingent liabilities in relation to financial guarantees issued by the Group.

The Group adopted a policy of obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In order to minimize credit risk, management of the Group 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 Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. In this regard, management believes the Group's credit risk was significantly reduced.

3) Liquidity risk

The Group's operating funds are deemed sufficient to meet the cash flow demand, therefore, liquidity risk is not considered to be significant.

Liquidity and interest rate risk tables

The following table details the Group'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 Group can be required to pay. The table includes both interest and principal cash flows. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

	Less Than 1 Year	**1-5 Years**	**More Than 5 Years**	**Total**
December 31, 2024				
Non-interest bearing	$ 5,545,957	$ 7,848	$ -	$ 5,553,805
Lease liabilities	19,226	24,716	629	44,571
	$ 5,565,183	$ 32,564	$ 629	$ 5,598,376
December 31, 2023				
Non-interest bearing	$ 3,639,695	$ 3,781	$ -	$ 3,643,476
Lease liabilities	18,931	15,993	667	35,591
	$ 3,658,626	$ 19,774	$ 667	$ 3,679,067

30. RELATED-PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated upon consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

a. Related party names and category

Related Party Name	**Relationship with the Group**
Dong-Guan Nikon	Associate

b. Trading transactions

Line Item	Related Party Category	For the Year Ended December 31	
		2024	2023
Sales	Associate	$ 66	$ 7
Purchases of goods	Associate	$ 47,622	$ 20,698
Rental income	Associate	$ 1,565	$ 1,988

Purchases were made at discounted market price to reflect the quantity of goods purchased and relationships between the parties. The payment terms to related parties were not significantly different from those of purchases from third parties.

The rentals were based on the market rentals in the area, and were paid monthly.

c. Receivables from related parties

Line Item	Related Party Category	December 31	
		2024	2023
Other receivables	Associate	$ -	$ 515

d. Payables to related parties

Line Item	Related Party Category	December 31	
		2024	2023
Trade payables	Associate	$ 5,244	$ 5,124

e. Compensation of key management personnel

	For the Year Ended December 31	
	2024	2023
Short-term employee benefits	$ 73,426	$ 74,299

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

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In order to provide for sufficient operating funds, the Company obtained a syndicated loan with a credit line of NT$1.2 billion with Chinatrust Commercial Bank and the related management group. The Group is required to maintain its current ratio at no less than 100%, its debt ratio less than 110%, its interest coverage ratio at no less than 4 times and the value of its net tangible assets at no less than NT$12 billion for semi-annual and annual financial statements during the contractual period of the loan agreement. The Company has not drawn against the credit line as of December 31, 2024.

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	December 31, 2024			
	Foreign Currency	Exchange Rate		Carrying Amount
Financial assets				
Monetary items				
USD	$ 174,611	32.785	(USD:NTD)	$ 5,724,622
USD	174,990	7.1884	(USD:RMB)	5,737,047
USD	12,538	57.8117	(USD:PHP)	411,058
JPY	2,390,261	0.0460	(JPY:RMB)	501,469
JPY	1,784,696	0.2099	(JPY:NTD)	374,472
RMB	201,131	0.1391	(RMB:USD)	917,237
Financial liabilities				
Monetary items				
USD	239,461	32.785	(USD:NTD)	7,850,729
USD	30,870	7.1884	(USD:RMB)	1,012,073
USD	22,545	57.8117	(USD:PHP)	739,138
JPY	4,387,406	0.2099	(JPY:NTD)	920,583

	December 31, 2023			
	Foreign Currency	Exchange Rate		Carrying Amount
Financial assets				
Monetary items				
USD	$ 165,604	30.705	(USD:NTD)	$ 5,084,871
USD	171,320	7.0827	(USD:RMB)	5,260,381
USD	7,859	55.3742	(USD:PHP)	241,311
JPY	1,403,576	0.0501	(JPY:RMB)	304,848
JPY	924,001	0.2172	(JPY:NTD)	201,437
RMB	157,221	0.1412	(RMB:USD)	681,639
Financial liabilities				
Monetary items				
USD	192,261	30.705	(USD:NTD)	5,903,374
USD	25,717	7.0827	(USD:RMB)	789,640
USD	17,930	55.3742	(USD:PHP)	550,541
JPY	2,653,970	0.2172	(JPY:NTD)	578,580

For the years ended December 31, 2024 and 2023, realized and unrealized net foreign exchange were gains $120,329 thousand and losses $24,523 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 Group.

33. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others: Table 1.

2) Endorsements/guarantees provided: None.

3) Marketable securities held (excluding investment in subsidiaries and associates): Table 2.

4) Marketable securities acquired and disposed at costs or prices 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: None.

10) Intercompany relationships and significant intercompany transactions: Table 5.

b. Information on investees: Table 6.

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, investment income or loss, carrying amount of the investment at the end of the period, repatriation of investment income, and limit on the amount of investment in the mainland China area: Table 7.

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:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Table 3.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Table 3.

c) The amount of property transactions and the amount of the resultant gains or losses: None.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: Table 1.

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services: Note 30.

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

34. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance. The Group's reportable segments included optical components, contact image sensor modules, optronics components, optronics products and digital camera.

a. Segment revenue and results

	Segment Revenue		Segment Profit (Loss)	
	For the Year Ended December 31		For the Year Ended December 31	
	2024	2023	2024	2023
Optical components	$ 11,334,049	$ 9,373,250	$ 530,511	$ 191,327
Contact image sensor modules	4,393,068	3,539,084	557,102	410,670
Optronics components	3,085,411	2,294,038	239,017	127,275
Digital camera	3,033,347	2,008,381	183,216	79,956
Optronics products	1,611,311	942,055	254,297	106,073
	$ 23,457,186	$ 18,156,808	$ 1,764,143	$ 915,301

b. Adjustment of segment revenue and profit

1) Segment revenue

	For the Year Ended December 31	
	2024	2023
Reportable segment revenue	$ 23,457,186	$ 18,156,808
Eliminated intersegment revenue	(409,713)	(326,616)
Net sale	$ 23,047,473	$ 17,830,192

2) Segment profits

	For the Year Ended December 31	
	2024	2023
Reportable segment income	$ 1,764,143	$ 915,301
Other profit (loss)	(1,729)	(1,653)
Other revenue	71,981	108,388
Other income and loss	(5,311)	(10,844)
Financial costs	(1,062)	(1,334)
Share of profit of associates	2,671	1,690
Interest income	456,964	330,864
Foreign exchange gain (loss), net	120,329	(24,523)
Net gain (loss) on financial assets at fair value through profit or loss	77,743	1,951
Net income before income tax	$ 2,485,729	$ 1,319,840

Segment revenue reported above represents revenue generated from external customers. There were no intersegment sales in 2024 and 2023.

Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' compensation, share of profit of associates, interest income, rental income, dividend income, gain or loss on disposal of assets, net exchange gain or loss, valuation gain or loss on financial instruments, interest expense and income tax expense. This is the amount reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

c. Segment assets and liabilities

The information on the assets and liabilities of each segment has not been reported to the chief operating decision maker.

d. Geographical information

The Group operates in two principal geographical areas - Asia and America.

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	Revenue from External Customers		**Non-current Assets**	
	For the Year Ended December 31		**December 31**	
	2024	**2023**	**2024**	**2023**
Asia	$ 19,618,636	$ 15,487,319	$ 3,567,294	$ 3,305,904
America	3,428,837	2,342,873	20,420	24,513
	$ 23,047,472	$ 17,830,192	$ 3,587,714	$ 3,330,417

Non-current assets exclude financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, investments accounted for using the equity method and deferred tax assets.

e. Information on major customers

	For the Year Ended December 31			
	2024		**2023**	
Customer Name	**Amount**	**%**	**Amount**	**%**
Customer A	$ 2,828,279	12	$ 1,925,891	11
Customer B	2,516,128	11	1,301,919	7

ASIA OPTICAL CO., INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars or Foreign Currencies)

No.	Lender	Borrower (Note 2)	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
1	Shen Zhen Sintai	Shang Hai Sintai	Receivables from related parties	Yes	$ 161,666 (RMB 35,450)	$ 124,499 (RMB 27,300)	$ 124,499 (RMB 27,300)	0.5	Short-term financing	$ -	For working capital	$ -	-	$ -	$ 1,000,000	$ 2,000,000
Total						$ 124,499	$ 124,499			$ -		$ -		$ -		

Note 1: The lending amount to a company shall not exceed forty percent (40%) of the net worth of the Company, and the aggregate amount for lending shall not exceed fifty percent (50%) of the net worth of the Company. The restriction of these term shall not apply to inter-company loans for funding between 100% owned subsidiaries, and the Group sets an additional rule that the amount available for lending purpose between 100% owned subsidiaries shall be (a) no more than NT$1 billion for the individual financier and (b) no more than NT$2 billion in total.

Note 2: Intercompany accounts and transactions have been eliminated.

TABLE 2

ASIA OPTICAL CO., INC. AND SUBSIDIARIES

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024			
				Shares/Units	Carrying Amount	Percentage of Ownership	Fair Value
Asia Optical	Shares						
	OTO Brite	None	Financial assets at FVTPL - non-current	2,902,846	$ 27,896	8	$ 27,896
	Myrias	None	Financial assets at FVTOCI - non-current	385,240	54,749	-	54,749
Asia International	Equity						
	B-Storm	None	Financial assets at FVTPL - non-current	1,760	-	44	-
	Shisei Datum	None	Financial assets at FVTPL - non-current	2,718	-	29	-
Shen Zhen Sintal	Equity						
	Guangdong Xinwei	None	Financial assets at FVTPL - non-current	-	4,760	38	4,760

ASIA OPTICAL CO., INC. AND SUBSIDIARIES

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

Purchaser or Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases / Sales	Amount	%	Payment Terms	Unit Price	Payment Terms	Ending Balance	%	
Asia Optical	Shen Zhen Sintai	Note 1	Purchases	$ 774,150	16	30-180 days	-	-	$ (1,115,444)	(17)	Note 2
	Dong-Guan Sintai	Note 1	Purchases	383,667	8	30-180 days	-	-	(329,052)	(5)	Note 2
	Dong-Guan Tailien	Note 1	Purchases	233,255	5	30-180 days	-	-	(156,824)	(2)	Note 2
	Scopro	Note 1	Sales	(340,687)	(5)	30-180 days	-	-	260,280	24	Note 2
	Scopro	Note 1	Purchases	602,045	13	30-180 days	-	-	(268,231)	(4)	Note 2
	Myanmar Asia	Note 1	Purchases	634,943	13	30-180 days	-	-	(775,416)	(12)	Note 2
	AOE Optronics	Note 1	Sales	(139,636)	(2)	30-180 days	-	-	28,010	3	Note 2
Asia International	Shen Zhen Sintai	Note 1	Purchases	1,063,208	8	30-180 days	-	-	(1,098,402)	(45)	Note 2
	Myanmar Asia	Note 1	Purchases	276,562	2	30-180 days	-	-	-	-	Note 2
Asia Tech	Asia Tech Samoa	Note 1	Purchases	3,507,738	100	30-180 days	-	-	(1,816,672)	(99)	Note 2
Asia Tech Samoa	Asia Tech	Note 1	Sales	(3,507,738)	(100)	30-180 days	-	-	1,816,672	100	Note 2
	Shen Zhen Atii	Note 1	Purchases	2,104,586	64	30-180 days	-	-	(1,350,269)	(66)	Note 2
Shen Zhen Atii	Asia Tech Samoa	Note 1	Sales	(2,104,586)	(88)	30-180 days	-	-	1,350,269	95	Note 2
AOE Shen Zhen	Shen Zhen Sintai	Note 1	Purchases	468,974	15	30-180 days	-	-	(52,077)	(4)	Note 2
	AOE Cayman	Note 1	Sales	(1,249,489)	(27)	30-180 days	-	-	96,274	7	Note 2
	AOE Cayman	Note 1	Purchases	547,884	17	30-180 days	-	-	(158,373)	(13)	Note 2
AOE Cayman	AOE Shen Zhen	Note 1	Sales	(547,884)	(30)	30-180 days	-	-	163,194	46	Note 2
	AOE Shen Zhen	Note 1	Purchases	1,249,489	67	30-180 days	-	-	(96,274)	(32)	Note 2
	AOE Optronics	Note 1	Sales	(1,139,737)	(63)	30-180 days	-	-	135,237	38	Note 2
AOE Optronics	AOE Cayman	Note 1	Purchases	1,139,737	77	30-180 days	-	-	(131,630)	(67)	Note 2
	Asia Optical	Note 1	Purchases	139,636	9	30-180 days	-	-	(28,010)	(14)	Note 2
Dong-Guan Sintai	Asia Optical	Note 1	Sales	(383,667)	(89)	30-180 days	-	-	330,437	85	Note 2
Dong-Guan Tailien	Asia Optical	Note 1	Sales	(233,255)	(33)	30-180 days	-	-	156,937	38	Note 2
Shen Zhen Sintai	Asia International	Note 1	Sales	(1,063,208)	(30)	30-180 days	-	-	1,341,531	47	Note 2
	Asia Optical	Note 1	Sales	(774,150)	(22)	30-180 days	-	-	1,123,564	39	Note 2
	AOE Shen Zhen	Note 1	Sales	(468,974)	(13)	30-180 days	-	-	78,919	3	Note 2
Myanmar Asia	Asia International	Note 1	Sales	(276,562)	(30)	30-180 days	-	-	-	-	Note 2
	Asia Optical	Note 1	Sales	(634,943)	(70)	30-180 days	-	-	786,665	99	Note 2

(Continued)

Purchaser or Seller	Related Party	Nature of the Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases / Sales	Amount	%	Payment Terms	Unit Price	Payment Terms	Ending Balance	%	
Dong-Guan Yorkey	Yorkey Technology	Note 1	Sales	$ (1,195,077)	(41)	30-180 days	-	-	$ 1,722,534	75	Note 2
	Yorkey Technology	Note 1	Purchases	196,031	17	30-180 days	-	-	-	-	Note 2
Yorkey Technology	Dong-Guan Yorkey	Note 1	Purchases	1,195,077	85	30-180 days	-	-	(1,722,534)	(97)	Note 2
	Dong-Guan Yorkey	Note 1	Sales	(196,031)	(13)	30-180 days	-	-	-	-	Note 2
Scopro	Asia Optical	Note 1	Sales	(602,045)	(100)	30-180 days	-	-	266,851	100	Note 2
	Asia Optical	Note 1	Purchases	340,687	72	30-180 days	-	-	(254,328)	(49)	Note 2

(Concluded)

Note 1: Refer to Note 12 to the consolidated financial statements.

Note 2: Intercompany accounts and transactions have been eliminated.

ASIA OPTICAL CO., INC. AND SUBSIDIARIES

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)

Company Name	Related Party (Note 2)	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
Asia Optical	Scopro	Affiliate	$ 260,280	Note 1	$ -	-	$ 117,694	$ -
Asia International	Myanmar Asia	Subsidiary of Asia International	2,079,723	Note 1	-	-	444,344	-
	AOE Cayman	Affiliate	164,665	Note 1	-	-	4,852	-
	Asia Optical	Parent company of Asia International	3,697,082	Note 1	-	-	149,571	-
	Dong-Guan Tailien	Affiliate	138,499	Note 1	-	-	14,854	-
AOE Cayman	AOE Shen Zhen	Subsidiary of AOE Cayman	163,194	Note 1	-	-	42,113	-
	AOE Shen Zhen	Subsidiary of AOE Cayman	954,897	Note 1	-	-	-	-
	AOE Optronics	Parent company of AOE Cayman	135,237	Note 1	-	-	132,500	-
Dong-Guan Sintai	Asia Optical	Parent company of Asia International	330,437	Note 1	-	-	62,584	-
Dong-Guan Tailien	Asia Optical	Parent company of Asia International	156,937	Note 1	-	-	56,850	-
Shen Zhen Sintai	Asia International	Parent company of Shen Zhen Sintai	1,341,531	Note 1	-	-	29,901	-
	Shang Hai Sintai	Affiliate	129,002	Note 1	-	-	-	-
	Asia Optical	Parent company of Asia International	1,123,564	Note 1	-	-	31,879	-
Myanmar Asia	Asia Optical	Parent company of Asia International	786,665	Note 1	-	-	19,730	-
Powerlink Cayman	Scopro	Affiliate	227,411	Note 1	-	-	-	-
	Asia Scopro	Parent company of Asia Scopro	181,273	Note 1	-	-	-	-
Asia Tech Samoa	Asia Tech	Parent company of Asia Tech Samoa	1,816,672	Note 1	-	-	291,183	-
Shen Zhen Atii	Asia Tech Samoa	Parent company of Shen Zhen Atii	1,350,269	Note 1	-	-	27,436	-
Dong-Guan Yorkey	Yorkey Technology	Parent company of Dong-Guan Yorkey	1,722,534	Note 1	-	-	153,811	-
Scopro	Asia Optical	Affiliate	266,851	Note 1	-	-	155,316	-

Note 1: The receivables resulted from purchases of materials and property, plant, and equipment on behalf of Asia International and loan transaction; thus, turnover analysis was not suitable.

Note 2: Intercompany accounts and transactions have been eliminated.

TABLE 5

ASIA OPTICAL CO., INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Number	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	% to Total Sales or Assets (Note 2)
0	Asia Optical	Asia International	1	Trade payables	$ 3,561,919	30-180 days	14
				Other payables	190,175	-	1
		Dong-Guan Tailien	1	Purchases	233,255	30-180 days	1
				Trade payables	156,824	30-180 days	1
		Dong-Guan Sintai	1	Purchases	383,667	30-180 days	2
				Trade payables	329,052	-	1
		Shen Zhen Sintai	1	Purchases	774,150	30-180 days	3
				Trade payables	1,115,444	-	4
		Myanmar Asia	1	Purchases	634,943	30-180 days	3
				Trade payables	775,416	-	3
		Scopro	1	Sales	340,687	30-180 days	1
				Purchases	602,045	30-180 days	3
				Trade receivables	260,280	30-180 days	1
				Trade payables	268,231	30-180 days	1
		AOE Optronics	1	Sales	139,636	30-180 days	1
1	Asia International	Shen Zhen Sintai	2	Purchases	1,063,208	30-180 days	5
				Trade payables	1,098,402	30-180 days	4
				Other payables	210,016	30-180 days	1
		Myanmar Asia	2	Trade receivables	2,079,723	30-180 days	8
				Purchases	276,562	30-180 days	1
		AOE Cayman	2	Trade receivables	164,665	30-180 days	1
		Dong-Guan Tailien	2	Trade receivables	138,499	30-180 days	1
2	AOE Optronics	AOE Cayman	2	Purchases	1,139,737	30-180 days	5
				Trade payables	131,630	30-180 days	1
3	Asia Tech	Asia Tech Samoa	2	Purchases	3,507,738	30-180 days	15
				Trade payables	1,816,672	30-180 days	7
4	Asia Tech Samoa	Shen Zhen Atii	2	Purchases	2,104,586	30-180 days	9
				Trade payables	1,350,269	30-180 days	5
5	AOE Cayman	AOE Shen Zhen	2	Sales	547,884	30-180 days	2
				Purchases	1,249,489	30-180 days	5
				Trade receivables	163,194	30-180 days	1
				Other receivables	954,897	-	4

(Continued)

Number	Company Name	Counterparty	Relationship (Note 1)	Transaction Details			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	% to Total Sales or Assets (Note 2)
6	Shen Zhen Sintai	Shang Hai Sintai	2	Other receivables	$ 129,002	-	1
		AOE Shen Zhen	2	Sales	468,974	30-180 days	2
7	Powerlink Cayman	Scopro	2	Trade receivables	227,411	30-180 days	1
		Asia Scopro	2	Trade receivables	181,273	30-180 days	1
8	Yorkey Technology	Dong-Guan Yorkey	2	Sales	196,031	30-180 days	1
				Purchases	1,195,077	30-180 days	5
				Trade payables	1,722,534	30-180 days	7

(Concluded)

Note 1: 1. From the parent company to the subsidiary.

2. From the subsidiary to the subsidiary.

Note 2: The percentage of transactions to consolidated assets and liabilities items are calculated at the balance as of the end of reporting period; income and expense items are calculated at the accumulated amount of consolidated sales.

Note 3: Intercompany accounts and transactions have been eliminated.

ASIA OPTICAL CO., INC. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December31, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying Value			
Asia Optical	Asia International	British Virgin Islands	Sale of riflescopes, lenses and optical components	$ 2,701,520	$ 2,701,520	15,686,000	100	$ 13,972,460	$ 1,258,151	$ 1,258,151	Subsidiary
	Asia Tech	New Taipei	Sale of precision instruments and image sensors	231,753	231,753	19,027,964	26	905,004	528,427	138,775	Subsidiary
	Powerlink Cayman	Cayman Islands	Holding company	44,392	44,392	1,500,000	100	622,026	(12,273)	(12,273)	Subsidiary
	AOE Optronics	Taichung	Design, manufacture and sale of cmobile consumer electronic products	1,938,431	1,921,610	19,179,577	91	1,033,447	204,145	183,944	Subsidiary
	Richman	British Virgin Islands	Holding company	99,520	99,520	2,566,000	100	166,970	24,642	24,642	Subsidiary
	Taiwan Top	Changhua	Manufacture and sale of cameras, copy machines, printers and facsimile machines	588,105	588,105	8,248,348	94	140,292	(3,767)	(3,527)	Subsidiary
	Powerlink	British Virgin Islands	Holding company	14,000	14,000	50,000	100	(90,916)	9,266	9,266	Subsidiary
	AOPI	Philippines Malvar	Manufacture and trade of riflescopes, lenses and optical component	6,509	-	117,746	100	6,398	(276)	(276)	Subsidiary
Asia International	Yorkey Cayman	Cayman Islands	Holding company	2,663,778	2,663,778	776,346,000	95	1,993,261	396,052	374,488	Indirect Subsidiary
	Pentax Sintai	Hong Kong	Trading company	-	-	-	-	-	-	-	Note
	AOE Optronics	Taichung	Design, manufacture and sale of mobile consumer electronic products	298,179	298,179	506,880	2	27,302	204,145	4,812	Subsidiary
	AOIDC	Japan	Development and technology services	22,071	22,071	100	100	27,069	12	12	Indirect Subsidiary
	Myanmar Asia	Myanmar Yangon	Manufacture of lens and related product	634,082	634,082	1,998,572	100	(586,823)	721,270	721,270	Indirect subsidiary
Powerlink Cayman	Asia Scopro	Philippines Calamba	Manufacture and trade of riflescopes, lenses and optical component	17,043	17,043	241,000	100	(80,367)	(24,440)	(24,440)	Indirect subsidiary
	ASAM	Philippines Calamba	Anode processing factory	9,690	9,690	150,000	100	34,703	(7,701)	(7,701)	Indirect subsidiary
Asia Tech	Asia Tech Samoa	Samoa	Sale of precision instruments and image sensor	845,520	845,520	18,662,310	100	2,840,961	15,224	15,224	Indirect Subsidiary
Powerlink	Scopro	Philippines Manila	Manufacture and trade of riflescopes, lenses and optical component	5,119	5,119	4,000,000	100	(100,499)	9,262	9,262	Indirect subsidiary
Richman	Yorkey Cayman	Cayman Islands	Holding company	291,289	291,289	40,000,000	5	102,706	396,052	19,407	Indirect Subsidiary
	Crosszone	British Virgin Islands	Trading company	1,568	1,568	50,000	100	(3,522)	(750)	(750)	Indirect subsidiary
AOE Optronics	AOE Cayman	Cayman Islands	Sale of mobile consumer electronic products	1,311,447	1,311,447	44,176,066	100	887,866	191,391	191,391	Indirect subsidiary
Yorkey Cayman	Yorkey Technology	Samoa	Trading company	302,910	302,910	550,001	100	840,399	393,398	393,398	Indirect subsidiary

Note: The process of liquidation had been completed. Refer to Note 12 to the consolidated financial statements.

TABLE 7

ASIA OPTICAL CO., INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars and Foreign Currencies)

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	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2024	Accumulated Repatriation of Investment Income as of December 31, 2024
					Outward	Inward						
Shen Zhen Sintai	Manufacture of laser printers, cameras, scanners and plastic products	US$ 38,000	(2)	$ 1,270,274 (US$ 38,000)	$ -	$ -	$ 1,270,274 (US$ 38,000)	$ 108,874	100	$ 108,874	$ 3,318,513	$ -
Dong-Guan Sintai	Manufacture of optical components and finished products	US$ 16,600	(2)	1,234,670 (US$ 35,937)	-	-	1,234,670 (US$ 35,937)	11,652	100	11,652	501,632	454,587 (US$ 14,000)
Shen Zhen Atii	Manufacture and sale of image sensor	US$ 10,000	(2)	170,256 (US$ 5,400)	-	-	170,256 (US$ 5,400)	9,302	26	2,505	473,571	-
Shang Hai Sintai	Manufacture and sale of parts of DV and DSC	US$ 34,000	(2)	1,098,606 (US$ 34,000)	-	-	1,098,606 (US$ 34,000)	(9,253)	100	(9,253)	61,905	-
Pioneer (Note 4)	Manufacture and sale of DVD players, DVD pickup heads and parts	US$ 18,000	(2)	145,656 (US$ 4,200)	-	145,656 (US$ 4,200)	- (US$ -)	-	-	-	-	82,859 (US$ 2,868)
Dong-Guan Tailien	Manufacture and processing of cameras and parts	US$ 3,160	(2)	123,440 (US$ 4,000)	-	-	123,440 (US$ 4,000)	66,994	61	40,335	152,457	149,145 (US$ 4,778)
			(3)	11,163 (US$ 420)	-	-	11,163 (US$ 420)	66,994	17	11,449	42,703	57,727 (US$ 1,823)
			(2)	22,614 (US$ 700)	-	-	22,614 (US$ 700)	66,994	12	7,714	28,769	31,070 (US$ 971)
Dong-Guan Yorkey	Manufacture of plastic and metallic parts, molds and cases of optical and optronics products	US$ 20,680	(2)	291,289 (US$ 9,079)	-	-	291,289 (US$ 9,079)	323,016	5	15,828	103,247	-
			(2)	2,663,778 (US$ 93,994)	-	-	2,663,778 (US$ 93,994)	323,016	95	305,031	2,003,768	-
Dong-Guan Nikon	Research and manufacture of equipment for electronic use	US$ 2,000	(2)	27,772 (US$ 800)	-	-	27,772 (US$ 800)	6,679	40	2,671	52,880	-
AOE Shen Zhen	Manufacture of mobile consumer electronic products	US$ 12,000	(2)	360,186 (US$ 12,000)	-	-	360,186 (US$ 12,000)	191,480	91	174,563	(124,848)	-
				-	-	-	-	191,480	2	4,596	(3,348)	-
Guangdong Xinwei	Manufacture of car components	RMB$ 9,100	(3)	-	-	-	-	-	38	-	4,760	-

Accumulated Outward Remittance for Investment in Mainland China as of DECEMBER 31, 2024	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA
$ 7,791,858 (US$ 235,131)	$ 10,280,622 (US$ 328,042)	(Note 3)

Note 1: The investments were made as follows:
(1) The investment was made directly by a subsidiary located in mainland China.
(2) The investment was made through a corporation established in a third country, which, in turn, invested in companies located in mainland China (refer to Note 12 to the accompanying consolidated financial statements; in addition, Asia International is the investor of Pioneer and Dong-Guan Nikon).
(3) Others

Note 2: Investment gain (loss) was recognized based on the financial statements audited by the R.O.C. parent company's CPA.

Note 3: Under the "Regulations for the Screening of Applications to Engage in Technical Cooperation in Mainland China" issued by the Investment Commission of the Industrial Development Administration Ministry of Economic Affairs on August 29, 2008, the amount of investment in mainland China has no limit since the parent company, Asia Optical Co., Inc. had acquired the approval by the Industrial Development Bureau to establish operating headquarters in Taiwan.

Note4: Refer to Note 7 to the consolidated financial statements.

ASIA OPTICAL CO., INC.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2024

Name of Major Shareholder	Shares	
	Number of Shares	**Percentage of Ownership (%)**
Tsih-Mei Industrial Co., Ltd.	34,665,440	12.41%
HSBC (Taiwan) Commercial Bank Ltd. is the custodian of Morgan Stanley International Ltd.'s investment account.	26,403,701	9.45%

Note 1: 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 preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.