EZconn Corporation 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 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, EZconn Corporation and its subsidiaries do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

EZCONN CORPORATION

By

CHEN, STEVE
Chairman

March 7, 2025

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
EZconn Corporation

Opinion

We have audited the accompanying consolidated financial statements of EZconn Corporation 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 matters of the Group's consolidated financial statements for the year ended December 31, 2024 are described as follows:

<u>Occurrence of Sales Revenue from Specific Products</u>

The sales revenue in 2024 increased compared to 2023, with significant growth in sales revenue from specific products. Since sales revenue from specific products has a significant impact on financial performance, we identified the occurrence of sales revenue as a key audit matter for the year ended December 31, 2024.

Refer to Notes 4 and 23 of the consolidated financial statements for the accounting policies, material accounting estimates and judgments, and other details on the information about sales revenue.

The main audit procedures we performed in response to the above-mentioned key audit matter are as follows:

1. We obtained an understanding of the design of the key controls over sales transactions, selected samples and tested the operating effectiveness of such controls.

2. We obtained the transaction details of the specific products, selected samples and examined the related transaction documents, and confirmed that such transaction documents comply with the sales policies.

3. We checked for significant sales returns and discounts and for any abnormalities in the payments after the reporting period.

Other Matter

We have also audited the parent company only financial statements of EZconn Corporation 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 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, 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 Chun-Hung Chen and Cheng-Hsiu Chang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 7, 2025

Notice to Readers

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.

EZCONN CORPORATION 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)	$ 2,673,758	38	$ 1,000,415	30
Financial assets at amortized cost - current (Notes 4 and 9)	100,506	2	94,271	3
Notes receivable (Notes 4 and 10)	4,818	-	5,246	-
Trade receivables from unrelated parties (Notes 4 and 10)	990,178	14	440,962	13
Other receivables from unrelated parties (Notes 4 and 10)	21,420	-	17,102	1
Inventories (Notes 4, 5 and 11)	1,190,671	17	602,362	18
Prepayments	52,280	1	44,544	1
Other current assets	12,927	-	4,336	-
Total current assets	5,046,558	72	2,209,238	66
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 20)	3,700	-	-	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	425,994	6	89,386	3
Financial assets at amortized cost - non-current (Notes 4, 9 and 31)	3,343	-	2,309	-
Investments accounted for using the equity method (Notes 4 and 13)	88,264	1	39,900	1
Property, plant and equipment (Notes 4, 14 and 31)	1,106,253	16	556,492	17
Right-of-use assets (Notes 4 and 15)	155,843	2	33,649	1
Intangible assets (Notes 4 and 16)	20,096	-	7,591	-
Deferred tax assets (Notes 4 and 25)	119,791	2	125,218	4
Prepayments for equipment	56,850	1	988	-
Refundable deposits	4,517	-	3,046	-
Prepayments for building and land (Note 14)	-	-	280,000	8
Total non-current assets	1,984,651	28	1,138,579	34
TOTAL	$ 7,031,209	100	$ 3,347,817	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 17)	$ -	-	$ 330,000	10
Notes payable (Note 18)	6	-	6	-
Trade payables to unrelated parties (Note 18)	297,045	4	187,396	6
Other payables (Note 19)	1,623,600	23	388,197	12
Current tax liabilities (Notes 4 and 25)	176,644	3	45,840	1
Lease liabilities - current (Notes 4 and 15)	14,877	-	8,090	-
Current portion of long-term borrowings (Notes 17 and 29)	-	-	12,000	-
Other current liabilities (Notes 4, 19 and 22)	68,228	1	62,742	2
Total current liabilities	2,180,400	31	1,034,271	31
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 20)	935,440	13	-	-
Long-term borrowings (Notes 17 and 29)	-	-	206,000	6
Deferred tax liabilities (Notes 4 and 25)	77,527	1	7,906	-
Lease liabilities - non-current (Notes 4 and 15)	122,214	2	6,113	-
Net defined benefit liabilities (Notes 4 and 21)	8,309	-	33,545	1
Other non-current liabilities	9,337	-	9,256	1
Total non-current liabilities	1,152,827	16	262,820	8
Total liabilities	3,333,227	47	1,297,091	39
EQUITY (Notes 4 and 22)				
Ordinary shares	760,000	11	663,000	20
Capital surplus	917,698	13	225,635	7
Retained earnings				
Legal reserve	286,369	4	276,278	8
Special reserve	81,457	1	117,072	4
Unappropriated earnings	1,783,791	26	850,197	25
Total retained earnings	2,151,617	31	1,243,547	37
Other equity	(133,240)	(2)	(81,456)	(3)
Total equity attributable to owners of the Company	3,696,075	53	2,050,726	61
NON-CONTROLLING INTERESTS	1,907	-	-	-
Total equity	3,697,982	53	2,050,726	61
TOTAL	$ 7,031,209	100	$ 3,347,817	100

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

EZCONN CORPORATION 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**	**%**
NET REVENUE (Notes 4 and 23)	$ 6,410,405	100	$ 2,617,385	100
COST OF REVENUE (Notes 11, 21 and 24)	2,845,229	44	1,686,998	64
GROSS PROFIT	3,565,176	56	930,387	36
OPERATING EXPENSES (Notes 10, 21, 24 and 30)				
Selling and marketing expenses	1,586,002	25	350,379	13
General and administrative expenses	644,204	10	254,837	10
Research and development expenses	102,458	2	104,354	4
Expected credit gain	(62,096)	(1)	(5,116)	-
Total operating expenses	2,270,568	36	704,454	27
PROFIT FROM OPERATIONS	1,294,608	20	225,933	9
NON-OPERATING INCOME AND EXPENSES (Notes 4, 13, 20 and 24)				
Interest income	35,461	-	25,200	1
Other income	1,931	-	9,727	-
Other gains and losses	121,241	2	16,144	1
Finance costs	(14,753)	-	(12,738)	-
Share of loss of associates accounted for using the equity method	(16,202)	-	(16,513)	(1)
Total non-operating income and expenses	127,678	2	21,820	1
PROFIT BEFORE INCOME TAX	1,422,286	22	247,753	10
INCOME TAX EXPENSE (Notes 4 and 25)	366,831	5	79,711	3
NET INCOME FOR THE YEAR	1,055,455	17	168,042	7
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 8, 21 and 25)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	1,142	-	5,581	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	45,202	1	41,309	1
Income tax relating to items that will not be reclassified subsequently to profit or loss	(229)	-	(9,168)	-
	46,115	1	37,722	1

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EZCONN CORPORATION 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 translating foreign operations	$ 40,951	-	$ (10,086)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	(8,194)	-	2,017	-
	32,757	-	(8,069)	-
Other comprehensive income for the year, net of income tax	78,872	1	29,653	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 1,134,327	18	$ 197,695	8
NET INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the parent	$ 1,057,601	16	$ 168,042	6
Non-controlling interests	(2,146)	-	-	-
	$ 1,055,455	16	$ 168,042	6
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the parent	$ 1,136,488	18	$ 197,695	8
Non-controlling interests	(2,161)	-	-	-
	$ 1,134,327	18	$ 197,695	8
EARNINGS PER SHARE (Note 26)				
Basic	$ 14.30		$ 2.53	
Diluted	$ 14.23		$ 2.52	

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

EZCONN CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company (Note 22)														
	Share Capital			Retained Earnings				Other Equity							
	Share (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Stock-based Employee Compensation	Total	Treasury Shares	Total	Non-controlling Interests (Note 12)	Total Equity
BALANCE AT JANUARY 1, 2023	69,300	$ 693,000	$ 234,872	$ 243,893	$ 117,072	$ 920,911	$ 1,281,876	$ (88,935)	$ (17,709)	$ -	$ (106,644)	$ (110,853)	$ 1,992,251	$ -	$ 1,992,251
Cancelation of treasury shares	(3,000)	(30,000)	(9,247)	-	-	(71,606)	(71,606)	-	-	-	-	110,853	-	-	-
Exercising the right of imputation	-	-	10	-	-	-	-	-	-	-	-	-	10	-	10
Appropriation of 2022 earnings															
Legal reserve	-	-	-	32,385	-	(32,385)	-	-	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(139,230)	(139,230)	-	-	-	-	-	(139,230)	-	(139,230)
Net profit for the year ended December 31, 2023	-	-	-	-	-	168,042	168,042	-	-	-	-	-	168,042	-	168,042
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	4,465	4,465	(8,069)	33,257	-	25,188	-	29,653	-	29,653
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	172,507	172,507	(8,069)	33,257	-	25,188	-	197,695	-	197,695
BALANCE AT DECEMBER 31, 2023	66,300	663,000	225,635	276,278	117,072	850,197	1,243,547	(97,004)	15,548	-	(81,456)	-	2,050,726	-	2,050,726
Issuance of ordinary share for cash	9,300	93,000	437,100	-	-	-	-	-	-	-	-	-	530,100	-	530,100
Share-based payment transactions	400	4,000	162,863	-	-	-	-	-	-	(118,058)	(118,058)	-	48,805	-	48,805
Changes in ownership interests in subsidiaries	-	-	-	-	-	(3,384)	(3,384)	-	-	-	-	-	(3,384)	-	(3,384)
Equity component of convertible bonds issued by the company	-	-	67,534	-	-	-	-	-	-	-	-	-	67,534	-	67,534
Changes in capital surplus from investment in associates accounted for using the equity method	-	-	24,566	-	-	-	-	-	-	-	-	-	24,566	-	24,566
Adjustment of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	4,068	4,068
Appropriation of 2023 earnings															
Legal reserve	-	-	-	10,091	-	(10,091)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	(35,615)	35,615	-	-	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(158,760)	(158,760)	-	-	-	-	-	(158,760)	-	(158,760)
Net profit (loss) for the year ended December 31, 2024	-	-	-	-	-	1,057,601	1,057,601	-	-	-	-	-	1,057,601	(2,146)	1,055,455
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	-	913	913	32,772	45,202	-	77,974	-	78,887	(15)	78,872
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	1,058,514	1,058,514	32,772	45,202	-	77,974	-	1,136,488	(2,161)	1,134,327
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	11,700	11,700	-	(11,700)	-	(11,700)	-	-	-	-
BALANCE AT DECEMBER 31, 2024	76,000	$ 760,000	$ 917,698	$ 286,369	$ 81,457	$ 1,783,791	$ 2,151,617	$ (64,232)	$ 49,050	$ (118,058)	$ (133,240)	$ -	$ 3,696,075	$ 1,907	$ 3,697,982

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

EZCONN CORPORATION 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	$ 1,422,286	$ 247,753
Adjustments for:		
Depreciation expense	77,492	86,885
Amortization expense	4,165	3,664
Expected credit gain reversed on trade receivables	(62,096)	(5,116)
Net gain on financial assets and liabilities at fair value through profit or loss	(3,300)	-
Finance costs	14,753	12,738
Interest income	(35,461)	(25,200)
Dividend income	(273)	-
Compensation cost of share-based payment	44,914	-
Share of loss of associates accounted for using the equity method	16,202	16,513
Loss on disposal of property, plant and equipment	7,246	1,092
Gain on lease modification	-	(1,433)
Write-down of inventories	26,801	58,650
Reversal of provisions	-	(8,055)
Changes in operating assets and liabilities		
Notes receivable	428	(980)
Trade receivables from unrelated parties	(488,126)	185,563
Other receivables from unrelated parties	(3,632)	3,246
Other receivables from related parties	-	1,500
Inventories	(617,454)	138,752
Prepayments	(7,736)	(29,819)
Other current assets	(7,356)	9,459
Notes payable	-	(26,482)
Trade payables	109,649	(40,248)
Other payables	1,236,749	78,443
Other current liabilities	5,377	(3,502)
Net defined benefit liabilities	(24,094)	(5,346)
Cash generated from operations	1,716,534	698,077
Interest received	34,775	23,505
Dividend received	273	-
Interest paid	(12,293)	(12,539)
Income tax paid	(169,200)	(138,982)
Net cash generated from operating activities	1,570,089	570,061
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets a fair value through other comprehensive income	(310,000)	(18,000)
Proceeds from sale of financial assets at fair value through profit or loss	18,593	-
Purchase of financial assets at amortized cost	(165,572)	(282,433)

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EZCONN CORPORATION AND SUBSIDIARIES

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

	2024	2023
Proceeds from sales of financial assets at amortized cost	$ 162,022	$ 217,471
Acquisition of associate accounted for using the equity method	(40,000)	-
Payments for property, plant and equipment	(317,053)	(20,947)
Proceeds from disposal of property, plant and equipment	1,655	3,763
(Increase) decrease in refundable deposits	(1,465)	108
Payments for intangible assets	(16,660)	(1,408)
Increase in prepayments for equipment	(77,331)	-
Increase in prepayments for building and land	-	(280,000)
Net cash used in investing activities	(745,811)	(381,446)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	1,930,000	1,460,000
Repayments of short-term borrowings	(2,260,000)	(1,460,000)
Issuance of convertible bonds	999,590	-
Repayments of long-term borrowings	(218,000)	(12,000)
Repayment of the principal portion of lease liabilities	(9,179)	(14,834)
Increase (decrease) in other non-current liabilities	81	(381)
Cash dividends paid	(158,760)	(139,230)
Proceeds from issuance of ordinary shares	530,100	-
Change in non-controlling interests	4,068	-
Exercising the right of imputation	-	10
Issuance of restricted employee shares	4,000	-
Net cash generated from (used in) financing activities	821,900	(166,435)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	27,165	(5,358)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,673,343	16,822
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,000,415	983,593
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 2,673,758	$ 1,000,415

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

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

1. GENERAL INFORMATION

EZconn Corporation (the "Company") was incorporated in the Republic of China (ROC) on September 4, 1996. The Company mainly manufactures and sells precision metal components and optical fiber components of various electronic products.

The Company's shares have been listed on the Taiwan Stock Exchange (TWSE) since July 14, 2015.

These 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 7, 2025.

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

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the 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 1)
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 2)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the 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.

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

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

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 1)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

1) 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.

2) Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

   The amendments also stipulate that, when settling a financial liability in cash using an electronic payment system, an Group can choose to derecognize the financial liability before the settlement date if, and only if, the Group has initiated a payment instruction that resulted in:

   - The Group having no practical ability to withdraw, stop or cancel the payment instruction;

   - The Group having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and

   - The settlement risk associated with the electronic payment system being insignificant.

The Group shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application.

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

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

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

Current assets include:

1) Assets held primarily for the purpose of trading;

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

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) 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. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments do not affect its classification as current or non-current if the entity classifies the option as an equity instrument.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

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.

See Note 12, Tables 4 and 5 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 (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.

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 items 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 its foreign operations (including subsidiaries in other countries that use currency different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income and attributed to the owners of the Company and to the non-controlling interests

f. Inventories

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

g. Investments in associates

An associate is an entity over which the Group has significant influence and which is not a subsidiary.

The Group uses the equity method to account for its investments in associates. Under the equity method, investments in an associate are 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 the 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 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 is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

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, if any. 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 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 had that associate directly disposed of the related assets or liabilities.

When a group entity 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 that interests in the associate are not related to the Group.

h. Property, plant and equipment

Property, plant and equipment are measured 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 methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

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

i. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition 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.

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

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset 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. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

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

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

k. Financial instruments

Financial assets and financial liabilities are recognized when 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 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) Measurement categories

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

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL.

Financial assets at FVTPL are subsequently measured at fair value, and remeasurement gains or losses on such financial assets are recognized in other gains or losses Fair value is determined in the manner described in Note 29.

ii. Financial assets at amortized cost

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

i) The financial assets are 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 receivables, notes receivables, other receivables at amortized cost and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

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

i) Purchased or originated credit impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

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

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

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

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. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECLs represents 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 represents 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 180 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 financial assets only when the contractual rights to the cash flows from the assets expire or when it transfers the financial assets and substantially all the risks and rewards of ownership of the assets 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, 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) Equity instruments

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

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

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

4) Convertible bonds

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

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

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

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

l. Revenue recognition

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

<u>Revenue from the sale of goods</u>

Revenue from the sale of goods comes from sales of optical fiber components and radio frequency connector products. The Group recognizes revenue when performance obligations are satisfied. The performance obligations are satisfied when customers obtain control of the promised goods. Trade receivables and revenue are recognized concurrently.

Revenue is measured at the fair value of the consideration received or receivable, and is reduced for estimated customer returns, rebates and other similar allowances. Taking into consideration the different contractual terms, the Group estimated customer returns and rebates that are likely to happen based on past experience, and the returns and rebates are recognized as refund liabilities (other current liabilities).

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

m. Leases

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

<u>The Group as lessee</u>

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. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, 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. For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the consolidated balance sheets.

n. Borrowing costs

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

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

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

o. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

p. 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 services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liability (asset) are recognized as employee benefit expenses in the period in which they occur. 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 it occurs. 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 plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

q. Share-based payment arrangements

Employee share options and restricted shares for employees

The fair value at the grant date of the employee share options and restricted shares for employees is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options and other equity - unearned employee benefits. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date of issued ordinary shares for cash which are reserved for employees is the date on which the board of directors approves the transaction.

When restricted shares for employees are issued, other equity - unearned employee benefits is recognized on the grant date, with a corresponding increase in capital surplus - restricted shares for employees. If restricted shares for employees are granted for consideration and the considerations received should be returned if employees resign in the vesting period, payables are continuously measured based on its estimated turnover rate for those granted before October 10, 2024 in accordance with the Q&A issued by the FSC.

At the end of each reporting period, the Group revises its estimate of the number of restricted shares for employees that are expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - restricted shares for employees.

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 earnings.

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

2) Deferred tax

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

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

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, 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 asset 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 liability is 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 taxes

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty

Write-down of inventories

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

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	2023
Cash on hand	$ 538	$ 569
Checking accounts and demand deposits	2,073,968	868,356
Cash equivalents		
Time deposits with original maturities of three months or less	599,252	131,490
	$ 2,673,758	$ 1,000,415

The market rate intervals of cash in bank at the end of the reporting period were as follows:

	December 31	
	2024	2023
Bank balance	0.001%-4.80%	0.001%-1.45%
Time deposits with original maturities of three months or less	1.77%-4.90%	2.10%-5.62%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (DECEMBER 31, 2023: NONE)

	December 31, 2024
Financial assets - non-current	
Derivative instruments mandatorily classified at FVTPL (not under hedge accounting)	
Convertible options (Note 20)	$ 3,700

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

	December 31	
	2024	2023
Non-current		
Listed shares		
TrueLight Corporation	$ 28,413	$ 27,450
Unlisted shares		
TMY Technology Inc	312,000	-
OpXion Tech. Incorporation	11,004	5,602
Lightel Technologies Inc.	74,577	56,334
	$ 425,994	$ 89,386

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purpose. 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.

In March and November 2024, the Group acquired the ordinary shares of TMY Technology Inc. via capital injection; since the shares are held for medium- to long-term strategic purposes, the management designated these investments as at FVTOCI.

In September 2023, the Group acquired the ordinary shares of TrueLight Corporation via capital injection since the shares are held for medium- to long-term strategic purposes; the management designated these investments as at FVTOCI.

The Group sold its ordinary shares of 383 thousand in TrueLight Corporation at a fair value of $18,593 thousand in 2024. The related unrealized gain of financial assets at FVTOCI of $11,700 thousand under other equity was transferred to retained earnings.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2024	2023
Current		
Time deposits with original maturities of more than 3 months (a)	$ 100,506	$ 94,271
Non-current		
Pledged deposits (b)	$ 3,343	$ 2,309

a. The ranges of interest rates for time deposits with an original maturity of more than 3 months were approximately 1.70%-5.10% and 1.90%-5.35% per annum as of December 31, 2024 and 2023, respectively.

b. The market interest rates of the pledged deposits were 1.575%-1.700% and 1.575% per annum as of December 31, 2024 and 2023, respectively.

c. Refer to Note 31 for information relating to investments in financial assets at amortized cost pledged as security.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2024	2023
Notes receivable, net		
At amortized cost		
Gross carrying amount	$ 4,902	$ 5,329
Less: Allowance for impairment loss	(84)	(83)
	$ 4,818	$ 5,246
Notes receivable - operating	$ 4,818	$ 5,246
Trade receivables (a)		
At amortized cost		
Gross carrying amount	$ 990,917	$ 537,932
Less: Allowance for impairment loss	(739)	(96,970)
	$ 990,178	$ 440,962
Other receivables (b)		
Tax refund receivable	$ 14,882	$ 10,594
Interest receivable	3,618	2,932
Receivables from sales of scrap and by-products	680	946
Others	2,240	2,630
	$ 21,420	$ 17,102

a. Trade receivables

The average credit period of sales of goods is 30 to 120 days. No interest was charged on trade receivables. In order to minimize credit risk, the 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 allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix approach considering the past default records 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.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, when the debtor has been placed under liquidation. 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 based on the Group's provision matrix.

December 31, 2024

	China	Asia	America	Europe	Others	Total
Gross carrying amount	$ 75,448	$ 166,165	$ 700,477	$ 48,827	$ -	$ 990,917
Loss allowance (Lifetime ECLs)	(46)	(249)	(349)	(95)	-	(739)
Amortized cost	$ 75,402	$ 165,916	$ 700,128	$ 48,732	$ -	$ 990,178

December 31, 2023

	China	Asia	America	Europe	Others	Total
Gross carrying amount	$ 35,767	$ 223,535	$ 159,007	$ 23,151	$ 96,472	$ 537,932
Loss allowance (Lifetime ECLs)	(36)	(335)	(79)	(48)	(96,472)	(96,970)
Amortized cost	$ 35,731	$ 223,200	$ 158,928	$ 23,103	$ -	$ 440,962

The aging of receivables was as follows:

	December 31	
	2024	2023
Less than 30 days	$ 755,429	$ 158,055
31-60 days	122,266	122,077
61-90 days	70,248	62,867
91-120 days	28,713	73,530
Over 120 days	14,261	121,403
	$ 990,917	$ 537,932

The above aging schedule was based on the invoice date.

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

	For the Year Ended December 31	
	2024	2023
Balance at January 1	$ 96,970	$ 102,042
Impairment loss reversed on receivables	(62,096)	(5,116)
Less: Amounts written off	(35,140)	-
Foreign exchange gains and losses	1,005	44
Balance at December 31	$ 739	$ 96,970

In previous years, the Company had recognized full impairment losses regarding the debt of PCT International Inc. (PCT). PCT filed for bankruptcy proceedings under Chapter 11 of the United States Bankruptcy Code in November 2019, and also filed for a debt reorganization plan in June 2020. In March 2021, the Company, PCT, the Official Committee of Unsecured Creditors ("Committee"), and certain other parties entered into a settlement agreement. The bankruptcy court approved the debt reorganization plan associated with the settlement in November 2021. PCT made the first payment in December 2021, agreeing to pay the balance of the Company's claims in full within a 10-year schedule with options for early payments. In April 2024, the Group and PCT began conducting settlement discussions and recovered US$1,955 thousand, which is based on the reversal of allowance losses on accounts receivable. The remaining US$1,176 thousand was fully written off by offsetting the loss allowance of trade receivables.

b. Other receivables

Other receivables were primarily tax refund receivable, receivable from sales of scrap and by-products and interest receivable. As of December 31, 2024 and 2023, the Group had assessed the impairment loss of other receivables based on expected credit losses.

11. INVENTORIES

	December 31	
	2024	2023
Finished goods	$ 557,204	$ 253,308
Work in progress	179,877	162,630
Raw materials	453,590	186,424
	$ 1,190,671	$ 602,362

The costs of inventories recognized as cost of goods sold for the years ended December 31, 2024 and 2023 were $2,845,229 thousand and $1,686,998 thousand, respectively, including write-downs of inventory of $26,801 thousand and $58,650 thousand, respectively.

12. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

			Proportion of Ownership December 31	
Investor	Investee	Nature of Activities	2024	2023
The Company	EC-Link Technology Inc. (EC-Link)	Investment	100%	100%
	EZconn Europe GmbH	Manufacture and sale of precision metal components and optical fiber components of various electronic products	100%	100%
	EZConn USA Inc.	Sale of precision metal components and optical fiber components of various electronic products	80%	-
	EZconn Technology Corporation	Manufacturer of electronic components	100%	-
EC-Link	Light Master Technology Inc. (Light Master)	Investment	100%	100%

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership December 31 2024	2023
EZconn Europe GmbH	EZconn Czech a.s.	Manufacture of various optical fiber components	100%	100%
Light Master	Light Master Technology (Ningbo) Inc.	Manufacture and sale of optical fiber components and cable connector	100%	100%
EZconn Czech a.s.	EZconn Technologies CZ s.r.o.	Manufacture and research of optical communication components	100%	100%

(Concluded)

In order to expand its business, the Company planned to set up a subsidiary in the Philippines, which was approved by the board of directors on May 8, 2024.The shareholding ratio is 100%, and the amount of injection was US$3,000 thousand in October 2024.

In order to expand its business, the Company proposed to set up a subsidiary in the U.S., which was approved by the board of directors on November 7, 2023, and the amount of investment was US$600 thousand in EZConn USA Inc. as of December 31, 2024.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31 2024	2023
Investments in associate that is not individually material		
AuthenX Inc.	$ 88,264	$ 39,900

Associate is accounted for using the equity method.

Aggregate information of associate that is not individually material

	For the Year Ended December 31 2024	2023
The Group’s share of:		
Loss for the current period/total comprehensive loss	$ (16,202)	$ (16,513)

In April 2024, AuthenX Inc. issued 7,000 thousand ordinary shares. The Group participated in the capital injection of AuthenX Inc. with 2,000 thousand shares at $20 per share. However, the Group did not subscribe for the original shareholding percentage, which decreased its ownership interests from 29.52% to 29.32% and adjusted to increase the capital surplus $1,062 thousand.

In July 2024, AuthenX Inc. also issued 3,200 thousand ordinary shares. However, the Group did not subscribe for the original shareholding percentage, which decreased its ownership interests from 29.32% to 26.71% and adjusted to increase the capital surplus by $23,504 thousand.

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

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery Equipment	Mold Equipment	Transportation Equipment	Office Equipment	Other Equipment	Property under Construction	Total
Cost									
Balance at January 1, 2023	$ 126,000	$ 387,233	$ 961,659	$ 39,961	$ 6,252	$ 45,842	$ 105,397	$ 1,657	$ 1,674,001
Additions	-	-	15,154	516	-	651	1,721	854	18,896
Disposals	-	-	(44,084)	(4,326)	-	(1,560)	(257)	(30)	(50,257)
Internal transfers	-	-	9,175	-	-	35	254	(2,321)	7,143
Effects of foreign currency exchange differences	-	(4,010)	(4,937)	-	(97)	(338)	(149)	50	(9,481)
Balance at December 31, 2023	126,000	383,223	936,967	36,151	6,155	44,630	106,966	210	1,640,302
Additions	269,070	9,889	23,742	1,030	27	2,836	8,389	995	315,978
Disposals	-	(203)	(103,089)	(1,373)	(3,170)	(2,053)	(170)	-	(110,058)
Internal transfers	269,070	10,930	20,470	-	2,689	455	-	(950)	302,664
Effects of foreign currency exchange differences	-	12,186	19,852	-	292	1,025	487	11	33,853
Balance at December 31, 2024	$ 664,140	$ 416,025	$ 897,942	$ 35,808	$ 5,993	$ 46,893	$ 115,672	$ 266	$ 2,182,739
Accumulated depreciation and impairment									
Balance at January 1, 2023	$ -	$ 194,682	$ 730,061	$ 36,774	$ 4,602	$ 37,615	$ 61,789	$ -	$ 1,065,523
Depreciation expenses	-	14,387	43,848	1,652	216	2,149	8,746	-	70,998
Disposals	-	-	(39,275)	(4,326)	-	(1,413)	(257)	-	(45,271)
Effects of foreign currency exchange differences	-	(3,254)	(3,776)	-	(74)	(277)	(59)	-	(7,440)
Balance at December 31, 2023	-	205,815	730,858	34,100	4,744	38,074	70,219	-	1,083,810
Depreciation expenses	-	15,585	39,542	1,343	574	2,170	8,585	-	67,799
Disposals	-	(157)	(94,755)	(1,373)	(2,854)	(1,848)	(170)	-	(101,157)
Effects of foreign currency exchange differences	-	9,904	14,909	-	197	844	180	-	26,034
Balance at December 31, 2024	$ -	$ 231,147	$ 690,554	$ 34,070	$ 2,661	$ 39,240	$ 78,814	$ -	$ 1,076,486
Carrying amount at December 31, 2023	$ 126,000	$ 177,408	$ 206,109	$ 2,051	$ 1,411	$ 6,556	$ 36,747	$ 210	$ 556,492
Carrying amount at December 31, 2024	$ 664,140	$ 184,878	$ 207,388	$ 1,738	$ 3,332	$ 7,653	$ 36,858	$ 266	$ 1,106,253

On December 14, 2023, in order to meet operational needs and long-term development and planning, the Corporation's board of directors resolved to purchase the leased land and factory with a total contract amount of $560,000 thousand. The transfer of ownership has been completed in January 2024.

No impairment assessment was performed for the years ended December 31, 2024 and 2023 as there was no indication of impairment.

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

Buildings	4, 20 and 40 years
Machinery equipment	2-10 years
Mold equipment	2 years
Transportation equipment	5 years
Office equipment	3, 5 and 10 years
Other equipment	2, 3, 5, 8-10 years

Property, plant and equipment pledged as collateral for bank borrowings were set out in Note 31.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2024	2023
Carrying amount		
Land	$ 20,265	$ 19,934
Buildings	134,405	11,090
Transportation equipment	1,173	2,625
	$ 155,843	$ 33,649

	For the Year Ended December 31	
	2024	2023
Additions to right-of-use assets	$ 130,805	$ 3,315
Depreciation charge for right-of-use assets		
Land	$ 699	$ 686
Buildings	7,541	13,898
Transportation equipment	1,453	1,303
	$ 9,693	$ 15,887

b. Lease liabilities

	December 31	
	2024	2023
Carrying amount		
Current	$ 14,877	$ 8,090
Non-current	$ 122,214	$ 6,113

Range of discount rates for lease liabilities was as follows:

	December 31	
	2024	2023
Buildings	1.45%-5.14%	1.45%-4.75%
Transportation equipment	1.45%-4.00%	1.45%-4.00%

c. Material leasing activities and terms

As lessee, the Group leases land and buildings for plants and offices and transportation equipment with lease terms of 2 to 50 years. The Group does not have bargain purchase options to acquire the leasehold land, buildings and transportation equipment 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	$ 5,926	$ 3,553
Total cash outflow for leases	$ (15,464)	$ (19,554)

The Group leases certain transportation equipment and buildings which qualify as short-term leases. The Group elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

16. INTANGIBLE ASSETS

	Computer Software		
	Cost	Accumulated Amortization	Total
Balance at January 1, 2023	$ 18,942	$ 9,202	$ 9,740
Additions/amortization expense	1,408	3,664	
Disposals	(3,268)	(3,268)	
Effects of foreign currency exchange differences	33	(74)	
Balance at December 31, 2023	17,115	9,524	$ 7,591
Additions/amortization expense	16,660	4,165	
Disposals	(606)	(606)	
Effects of foreign currency exchange differences	110	100	
Balance at December 31, 2024	$ 33,279	$ 13,183	$ 20,096

The Group's intangible assets, which comprise computer software, are amortized on the straight-line basis over the estimated useful lives of 1 to 10 years.

	For the Year Ended December 31	
	2024	2023
An analysis of amortization by function		
Operating costs	$ 215	$ 62
Selling and marketing expenses	51	36
General and administrative expenses	1,645	1,072
Research and development expenses	2,254	2,494
	$ 4,165	$ 3,664

17. BORROWINGS (DECEMBER 31, 2024: NONE)

a. Short-term borrowings

	December 31
	2023
Unsecured borrowings	
Line of credit borrowings	$ 330,000

The interest rate ranges of line of credit borrowings were 1.800%-1.930% per annum as of December 31, 2023.

b. Long-term borrowings

	December 31, 2023
Secured borrowings	
Bank borrowings	$ 218,000
Less: Current portion of long-term borrowings	(12,000)
Long-term borrowings	$ 206,000

To increase medium- and long-term working capital, the Group entered into a loan contract with a bank for the period November 2020 to November 2027. As of December 31, 2023, the effective interest rate was 2.35%-2.40% and interest is repayable on a monthly basis. The principal of the loan is repayable over a period of 2 years, where repayments of NT$6,000 thousand are to be made semi-annually starting 2 years from the date of the initial drawdown, with the rest of the principal paid in one lump sum upon maturity. The Group provided property, and plant as collateral for this loan (refer to Notes 14 and 31 for the details).

For some of the loan agreements, the Group's current ratio, debt ratio, and the net worth as stated in the financial statements are not to fall below specified ratios/amount, or else. The Group is required to propose improvement measures to the bank when failing to comply with the restrictions. As of December 31, 2023, the Group was not in violation of any of the aforementioned financial restrictions.

18. NOTES PAYABLE AND TRADE PAYABLES

	December 31	
	2024	2023
Notes payable		
Non-operating	$ 6	$ 6
Trade payables		
Operating	$ 297,045	$ 187,396

The average credit period of purchases of goods is 60-90 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

19. OTHER LIABILITIES

	December 31	
	2024	2023
Other payables		
Payables for commissions	$ 1,027,267	$ 142,696
Payables for salaries or bonuses	327,637	138,302
Payables for employees' compensation and remuneration of directors	150,000	23,500
Others	118,696	83,699
	$ 1,623,600	$ 388,197
Other current liabilities		
Refund liabilities	$ 55,605	$ 48,809
Contract liabilities (Note 23)	7,470	10,585
Others	5,153	3,348
	$ 68,228	$ 62,742

20. BONDS PAYABLE (DECEMBER 31, 2023: NONE)

	December 31, 2024
1st domestic unsecured convertible corporate bonds	$ 1,000,000
Less: Discount of corporate bond payable	(64,560)
	$ 935,440

The Company issued 1st domestic unsecured convertible corporate bonds totaling 10,000 units on November 11, 2024, with a principal amounting to $1,005,000 thousand, at 100.5% of the par value and a zero coupon rate. The conversion price at the time of issuance was $491.3 per share, for a term of 3 years. The corporate bonds may be converted into ordinary shares of the Company upon request from February 12, 2025 to November 11, 2027.

The bonds will be held from the next day after the expiration of 3 months until 40 days before the expiration of the issue period. If the closing price of the Company's ordinary stock exceeds the conversion price of the bond by 30% or more for 30 consecutive business days, the Company shall repurchase the bonds in cash within 30 business days, the Company redeems the bondholder's convertible corporate bonds in cash. If the outstanding balance of these convertible bonds falls below 10% of the original total issuance amount, the company may redeem all outstanding bonds in cash at face value at any time thereafter.

The bondholders may opt for early redemption of the bonds after holding them for two years from the date of issuance. The bondholders may submit a written notice within 40 days prior to the put date, requesting the company to redeem their bonds in cash at face value.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - equity component of convertible bonds. The effective interest rate of the liability component was 2.36% per annum on initial recognition.

Proceeds from issuance (less transaction costs of $5,410 thousand)	$ 999,590
Buy-back/redemption rights derivative instruments	400
Equity component (less transaction costs allocated to the equity component of $365 thousand)	(67,534)
Liability component at the date of issue (less transaction costs allocated to the liability component of $5,045 thousand)	932,456
Interest charged at an effective interest rate of 2.36%	2,984
Liability component at December 31, 2024	$ 935,440

The movements of derivative financial instruments were as follows (accounted for as financial assets at fair value through profit or loss - non-current):

Balance at November 11, 2024	$ 400
Gain on fair value changes	3,300
Balance at December 31, 2024	$ 3,700

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, 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 mainland China are members of a state-managed retirement benefit plan operated by the government of mainland China. 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.

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to a fixed percentage of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

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

	December 31 2024	December 31 2023
Present value of defined benefit obligation	$ 92,709	$ 104,587
Fair value of plan assets	(84,400)	(71,042)
Net defined benefit liability	$ 8,309	$ 33,545

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	$ 104,587	$ (71,042)	$ 33,545
Service cost			
Current service cost	81	-	81
Net interest expense (income)	1,307	(926)	381
Recognized in profit or loss	1,388	(926)	462
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(6,116)	(6,116)
Actuarial loss - changes in financial assumptions	(1,808)	-	(1,808)
Actuarial gain - experience adjustments	6,782	-	6,782
Recognized in other comprehensive income	4,974	(6,116)	(1,142)
Contributions from the employer	-	(8,200)	(8,200)
Benefits paid	(1,884)	1,884	-
Payments on the Company's account	(16,356)	-	(16,356)
Balance at December 31, 2024	$ 92,709	$ (84,400)	$ 8,309
Balance at January 1, 2023	$ 110,451	$ (65,979)	$ 44,472
Service cost			
Current service cost	85	-	85
Net interest expense (income)	1,519	(950)	569
Recognized in profit or loss	1,604	(950)	654
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(453)	(453)
Actuarial gain - changes in financial assumptions	1,053	-	1,053
Actuarial loss - experience adjustments	(6,181)	-	(6,181)
Recognized in other comprehensive income	(5,128)	(453)	(5,581)
Contributions from the employer	-	(6,000)	(6,000)
Benefits paid	(2,340)	2,340	-
Balance at December 31, 2023	$ 104,587	$ (71,042)	$ 33,545

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2024	2023
Operating costs	$ 346	$ 487
Selling and marketing expenses	22	33
General and administrative expenses	52	73
Research and development expenses	42	61
	$ 462	$ 654

Through the defined benefit plans under the Labor Standards Act, the Company 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 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 rate	1.500%	1.250%
Expected rate of salary increase	2.250%	2.250%

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:

	December 31	
	2024	2023
Discount rate		
0.25% increase	$ (1,748)	$ (2,088)
0.25% decrease	$ 1,808	$ 2,159
Expected rate of salary increase		
0.25% increase	$ 1,764	$ 2,100
0.25% decrease	$ (1,714)	$ (2,042)

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	$ 8,589	$ 6,135
The average duration of the defined benefit obligation	7.7 years	8.1 years

22. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2024	**2023**
Number of authorized shares (in thousands)	180,000	180,000
Amount of authorized shares	$ 1,800,000	$ 1,800,000
Number of issued and fully paid shares (in thousands)	76,000	66,300
Amount of issued and fully paid shares	$ 760,000	$ 663,000

The holders of issued ordinary shares with a par value of $10 are entitled the right to vote and receive dividends.

The board of directors of the Company resolved to cancel 3,000 thousand treasury shares on March 14, 2023, and the registration change was approved by the competent authority.

In order to enrich working capital and repay bank borrowings, the Company's board of directors resolved to issue 9,300 thousand new shares through a cash capital increase with a par value of $10 on November 21, 2023. The issue price is $57 per share, and the total issued and fully paid cash capital increase to $756,000 thousand. The base date for cash capital increase was March 5, 2024, and the change of registration was completed on March 29, 2024.

The Company's board of directors resolved to issue 400 thousand employee restricted shares with a par value of NT$10, and fully paid cash capital increase to $760,000 thousand, within the quota approved by the FSC on September 20, 2024. Please see Note 28 for information relating to employee stock options and employee restricted shares.

b. Capital surplus

	December 31	
	2024	2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of ordinary shares	$ 672,009	$ 212,589
May only be used to offset a deficit (2)		
Exercising the right of imputation	10	10
Changes in equity of associates accounted for using the equity method	24,566	-
May not be used for any purpose		
Employee restricted shares	140,543	-
Convertible bonds share options	67,534	-
Changes in percentage of ownership interests in subsidiaries (3)	13,036	13,036
	$ 917,698	$ 225,635

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 which may only be used to offset a deficit.

3) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary that resulted from equity transactions other than actual disposal or acquisition. Such capital surplus may not be used for any purpose.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors and supervisors, refer to employees' compensation and remuneration of directors and supervisors in Note 24-g.

The Company's dividends policy is based on the shareholders' long-term interests. In formulating its dividends policy, the Company takes into account the overall business and industry conditions and trends, present and future operational expansion and to satisfy the shareholders' need for cash inflow. The Company's dividends policy states that cash dividends should be at least 10% of total dividends. A distribution plan is also to be made by the board of directors and passed for resolution in the shareholders' meeting.

Under the Company's dividends policy in the Articles, the proposed distribution of dividends can be distributed fully or partially by cash and is subject to the approval of the Company's board of directors with the attendance of more than two-thirds of the directors and with the consent of at least half of the attending directors; in addition, it shall be reported in the shareholders' meeting.

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 deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2023 and 2022 were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2023	**2022**
Legal reserve	$ 10,091	$ 32,385
Special reserve	$ (35,615)	$ -
Cash dividends	$ 158,760	$ 139,230
Cash dividends per share (NT$)	$ 2.1	$ 2.1

The above appropriations of earnings as cash dividends were resolved by the Company's board of directors on May 8, 2024 and March 14, 2023, respectively. The proposed appropriations of earnings for the years ended December 31, 2023 and 2022 were resolved by the shareholders in their meetings on June 18, 2024 and June 6, 2023, respectively.

The appropriation of earnings for 2024 will be resolved by the Company's board of directors in their meeting to be held on March 7, 2025.

	For the Year Ended December 31, 2024
Legal reserve	$ 106,683
Reversal of special reserve	$ (66,274)
Cash dividends	$ 653,602
Cash dividends per share (NT$)	$ 8.6

The above appropriation for cash dividends has been resolved by the Company's board of directors; the other proposed appropriations will be resolved by the shareholders in their meeting to be held on May 28, 2025.

d. Special reserve

Additional special reserve relating to exchange differences on translating the financial statements of foreign operations (including the subsidiaries of the Company) should be appropriated for the amount equal to the difference between net debit balance reserves and the special reserve appropriated. Any special reserve appropriated may be reversed to the extent that the debit balance reverses and, thereafter, distributed.

e. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

The exchange differences arising on translation of the net assets of foreign operation from their functional currencies to the Company's presentation currency (the New Taiwan dollar) are recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve.

2) Unrealized valuation gain/(loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2024	2023
Balance at January 1	$ 15,548	$ (17,709)
Recognized for the year		
Unrealized gain - equity instruments	45,202	33,257
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal (refer to Note 8)	(11,700)	-
Balance at December 31	$ 49,050	$ 15,548

3) Unearned employee benefits (for the year ended December 31, 2023: None)

In the meeting of shareholders on June 18, 2024, the shareholders approved a restricted share plan for employees. Refer to Note 28 for detail.

	For the Year Ended December 31, 2024
Balance at January 1	$ -
Issuance of shares	(140,652)
Share-based payment expenses recognized	22,594
Balance at December 31	$ (118,058)

f. Treasury shares (for the year ended December 31, 2024: None)

In order to motivate employees and increase their loyalty to the Company, the board of directors resolved to purchase treasury shares on January 20, 2020. The planned repurchase period was January 21 to March 20, 2020, and the number of shares repurchased was 3,000 thousand shares. In March 2020, the Company completed its repurchase of shares for a total cost of $110,853 thousand.

Unit: In Thousands of Shares

Items	For the Year Ended December 31, 2023
Number of shares at January 1	3,000
Shares cancelled during the year	(3,000)
Number of shares at December 31	-

The Company cancelled the treasury shares overdue that had not yet been transferred to employees pursuant to the law, and the board of directors of the Company resolved to decrease its capital by $30,000 thousand in March 2023 through cancellation of 3,000 thousand issued shares on March 20, 2023.

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

23. REVENUE

a. Breakdown of operating revenues

	For the Year Ended December 31	
	2024	2023
Optical communication	$ 5,901,735	$ 2,021,893
Radio Frequency Connector	508,670	595,492
	$ 6,410,405	$ 2,617,385

Please refer to Note 4 for the details of the contracts with customers.

b. Contract balances

	December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities (classified under other current liabilities)	$ 7,470	$ 10,585	$ 13,411

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

24. NET INCOME FROM CONTINUING OPERATIONS

a. Interest income

	For the Year Ended December 31	
	2024	2023
Bank deposits	$ 35,339	$ 24,185
Repurchase bonds	115	985
Others	7	30
	$ 35,461	$ 25,200

b. Other income

	For the Year Ended December 31	
	2024	2023
Grant income	$ 122	$ 8,496
Dividend Income	273	-
Others	1,536	1,231
	$ 1,931	$ 9,727

c. Other gains and losses

	For the Year Ended December 31	
	2024	2023
Loss on disposal of property, plant and equipment	$ (7,246)	$ (1,092)
Net foreign exchange gains	122,950	14,807
Financial assets at fair value through profit or loss (Note 20)	3,300	-
Gain on lease modification	-	1,433
Others	2,237	996
	$ 121,241	$ 16,144

d. Finance costs

	For the Year Ended December 31	
	2024	2023
Interest on bank borrowings	$ 11,410	$ 11,571
Interest on convertible bonds	2,984	-
Interest on lease liabilities	359	1,167
	$ 14,753	$ 12,738

e. Depreciation and amortization

	For the Year Ended December 31	
	2024	2023
Property, plant and equipment	$ 67,799	$ 70,998
Right of use assets	9,693	15,887
Intangible assets	4,165	3,664
	$ 81,657	$ 90,549
An analysis of depreciation by function		
Operating costs	$ 52,792	$ 59,341
Operating expenses	24,700	27,544
	$ 77,492	$ 86,885
An analysis of amortization by function		
Operating costs	$ 215	$ 62
Operating expenses	3,950	3,602
	$ 4,165	$ 3,664

f. Employee benefits expense

	For the Year Ended December 31	
	2024	2023
Post-employment benefits (Note 21)		
Defined contribution plans	$ 29,103	$ 25,032
Defined benefit plans	462	654
	29,565	25,686
Insurance expense	52,179	49,278
Remuneration of directors	39,056	7,936
Other employee benefits	1,017,253	571,063
Total employee benefits expense	$ 1,138,053	$ 653,963
An analysis of employee benefits expense by function		
Operating costs	$ 531,146	$ 396,195
Operating expenses	606,907	257,768
	$ 1,138,053	$ 653,963

g. Employees’ compensation and remuneration of directors

According to the Articles of Incorporation of the Company, the Company accrued employees’ compensation and remuneration of directors at rates of no less than 5% and no higher than 5%, respectively, of net profit before income tax, employees’ compensation, and remuneration of directors.

The employees' compensation and the remuneration of directors for the years ended December 31, 2024 and 2023, which were approved by the Company's board of directors on March 7, 2025 and March 14, 2024, were as follows:

Accrual rate

	For the Year Ended December 31	
	2024	2023
Compensation of employees	7.69%	7.76%
Remuneration of directors	2.52%	2.37%

Amount

	For the Year Ended December 31	
	2024	2023
	Cash	Cash
Compensation of employees	$ 113,000	$ 18,000
Remuneration of directors	37,000	5,500

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.

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 in 2024 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gain or loss on foreign currency exchange

	For the Year Ended December 31	
	2024	2023
Foreign exchange gains	$ 206,458	$ 153,605
Foreign exchange losses	(83,508)	(138,798)
Net Profit	$ 122,950	$ 14,807

25. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	$ 305,106	$ 96,777
Income tax on unappropriated earnings	-	6,571
Repatriation tax	-	14,694
Adjustments for prior years	(5,703)	2,753
	299,403	120,795
Deferred tax		
In respect of the current year	67,428	(10,803)
Deferred tax impact on repatriation on subsidiaries' earnings	-	(30,281)
	67,428	(41,084)
Income tax expense recognized in profit or loss	$ 366,831	$ 79,711

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

	For the Year Ended December 31	
	2024	2023
Profit before tax from continuing operations	$ 1,422,286	$ 247,753
Income tax expense calculated at the statutory rate	$ 369,159	$ 67,073
Nondeductible expenses in determining taxable income	3,375	3,440
Income tax on unappropriated earnings	-	6,571
Adjustments for prior years' tax	(5,703)	2,753
Others	-	(126)
Income tax expense recognized in profit or loss	$ 366,831	$ 79,711

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2024	2023
Deferred tax		
In respect of the current period		
Translation of foreign operations	$ (8,194)	$ 2,017
Remeasurement of defined benefit plans	(229)	(1,116)
Fair value changes of financial assets at FVTOCI	-	(8,052)
	$ (8,423)	$ (7,151)

c. Current tax and liabilities

	December 31	
	2024	2023
Current tax liabilities		
Income tax payable	$ 176,644	$ 45,840

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2024

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Exchange Differences	Closing Balance
Temporary differences					
Allowance for impairment loss	$ 19,899	$ (19,899)	$ -	$ -	$ -
Write-down of inventories	44,319	4,854	-	614	49,787
Defined benefit obligations	9,545	(1,547)	(229)	-	7,769
Refund liabilities	9,762	1,359	-	-	11,121
Payables for annual leave	2,290	405	-	-	2,695
Unrealized foreign exchange loss	3,571	(3,571)	-	-	-
Exchange differences on foreign operation	10,462	-	(8,194)	-	2,268
Others	25,370	20,592	-	189	46,151
	$ 125,218	$ 2,193	$ (8,423)	$ 803	$ 119,791

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Exchange Differences	Closing Balance
Temporary differences					
Allowance for impairment loss	$ -	$ 390	$ -	$ -	$ 390
Investments accounted for using equity method	4,282	63,746	-	-	68,028
Unrealized exchange gains	-	5,485	-	-	5,485
FVTOCI financial assets	3,624	-	-	-	3,624
	$ 7,906	$ 69,621	$ -	$ -	$ 77,527

For the year ended December 31, 2023

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Exchange Differences	Closing Balance
Temporary differences					
Allowance for impairment loss	$ 20,611	$ (712)	$ -	$ -	$ 19,899
Write-down of inventories	32,100	12,446	-	(227)	44,319
Defined benefit obligations	11,731	(1,070)	(1,116)	-	9,545
Provisions	1,611	(1,611)	-	-	-
Refund liabilities	9,786	(24)	-	-	9,762
Payables for annual leave	2,359	(69)	-	-	2,290
Unrealized foreign exchange loss	-	3,571	-	-	3,571
Exchange differences on foreign operation	8,445	-	2,017	-	10,462
FVTOCI financial assets	4,428	-	(4,428)	-	-
Others	23,631	1,791	-	(52)	25,370
	$ 114,702	$ 14,322	$ (3,527)	$ (279)	$ 125,218

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Exchange Differences	Closing Balance
Temporary differences					
Investments accounted for using equity method	$ 29,488	$ (25,206)	$ -	$ -	$ 4,282
Unrealized exchange gains	1,556	(1,556)	-	-	-
FVTOCI financial assets	-	-	3,624	-	3,624
	$ 31,044	$ (26,762)	$ 3,624	$ -	$ 7,906

e. Income tax assessments

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

26. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2024	2023
Basic earnings per share	$ 14.30	$ 2.53
Diluted earnings per share	$ 14.23	$ 2.52

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

Net Profit for the Year

	For the Year Ended December 31	
	2024	**2023**
Earning used in the computation of basic earnings per share	$ 1,057,601	$ 168,042
Effect of dilutive potential ordinary shares		
Effect of potentially dilutive ordinary shares interest on convertible bonds (after tax)	2,388	-
Net Profit used in calculation of diluted earnings per share	$ 1,059,989	$ 168,042

	For the Year Ended December 31	
	2024	**2023**
Number of shares (in thousands)		
Weighted average number of ordinary shares used in the computation of basic earnings per share	73,974	66,300
Effect of potentially dilutive ordinary shares		
Compensation of employees	201	373
Employee restricted shares	35	-
Convertible bonds	284	-
Weighted average number of ordinary shares used in the computation of diluted earnings per share	74,494	66,673

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

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

Key management personnel of the Group review the capital structure periodically. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. 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, and the amount of new debt issued or existing debt redeemed.

28. SHARE-BASED PAYMENT ARRANGEMENTS

a. Employee stock option plan

The grant date of the cash capital increase for retained basic employee stock option transaction is based on the date when the number of shares subscribed by employees is recognized. The Group recognized the amount of $22,320 thousand for employee compensation cost and capital surplus for the period from January 1, 2024 to December 31, 2024, based on the fair value of the equity instruments granted on the grant date for the measurement of the fair value of the labor acquired.

b. Restricted stock awards to employees

The issuance of 400 thousand employee restricted shares was approved by the Company's shareholders at a meeting held on June 18, 2024, as a paid issuance. The board of directors approved the issuance on August 9, 2024, with the effective date set upon notification. The shares will be issued in multiple tranches within one year from the effective date. On September 20, 2024, the board of directors resolved to issue 400,000 restricted shares for employees at an issuance price of NT$10 per share, with October 2, 2024, set as the record date for the new shares issuance.

Restrictions imposed on the employees' rights in the restricted stock awards before the vesting conditions are fulfilled:

1) An employee allocated new restricted employee shares may not sell, pledge, transfer, create an encumbrance on, or otherwise dispose of these shares before the vesting conditions for the shares have been satisfied. All shares must be held in trust by an institution designated by the Company until the vesting conditions are met.

2) Before the restricted shares are vested to the employees, the right of attendance, proposal, speech, voting and other rights of shareholders are acted by the custodian.

3) Except for the aforementioned restrictions, the other rights of the restricted shares granted to employees are the same as those of the Company's issued ordinary share.

Information on the restricted shares for employees is as follows:

Unit: In Thousands of Shares

Item	For the date from September 23, 2024 to December 31, 2024 Number of Shares
Balance at January 1	-
Shares issued	400
Balance at December 31	400

As of December 31, 2024 information on the outstanding restricted employee shares is as follows:

Grant Date	Fair Value Per Share - Grant Date	Shares Granted (In Thousands of Shares)	Vesting Period
September 23, 2024	$371.5	400	1 year - 3 years

Employees who are granted restricted shares, upon meeting the Corporation's financial performance indicators and remains employed by the Company, are eligible to be vested 30%, 30% and 40 % of the restricted shares granted after 1, 2 and 3 years after the subscription date, respectively.

The recognized compensation cost from September 23 to December 31, 2024, was $22,594 thousand.

For the restricted share plan for employees with a purchase price, which was granted before October 10, 2024, the Group did not retrospectively apply the Q&A "Accounting Treatment for Restricted Share Plan for Employees" issued by the Accounting Research and Development Foundation (ARDF) on October 11, 2024 in accordance with the Q&A issued by the FSC. Therefore, the Group continuously measured the liabilities of the expected repayments to the employees leaving during the vesting period based on its estimated turnover rate.

29. FINANCIAL INSTRUMENTS

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

The management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values or their fair value cannot be reliably measured.

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

1) Fair value hierarchy

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity				
Domestic listed shares	$ 28,413	$ -	$ -	$ 28,413
Foreign unlisted shares	-	-	397,581	397,581
	$ 28,413	$ -	$397,581	$425,994

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity				
Domestic listed shares	$ 27,450	$ -	$ -	$ 27,450
Domestic unlisted shares	-	-	61,936	61,936
	$ 27,450	$ -	$ 61,936	$ 89,386

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

2) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of unlisted equity investments were estimated using the market approach. The significant unobservable inputs used were the discount for lack of marketability and discount for non-controlling interests. An increase in the discount for lack of marketability or non-controlling interests would result in an increase in the fair value.

c. Categories of financial instruments

	December 31	
	2024	**2023**
Financial assets		
Financial assets at amortized cost (1)	$ 3,783,658	$ 1,552,757
Financial assets at fair value through profit or loss	3,700	-
Financial assets at FVTOCI - equity instruments	425,994	89,386
Financial liabilities		
Financial liabilities at amortized cost (2)	2,378,454	961,797

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables (including related parties), other receivables (excluding tax refund receivable), and refundable deposits.

2) The balances included financial liabilities at amortized cost, which comprise long-term loans, short-term loans, notes payable, trade payables, bonds payable and other payables (excluding payables for salaries or bonuses and payables for employees' compensation and remuneration of directors).

d. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, trade receivables, trade payables, borrowings, bonds payable and lease liabilities. According to business nature and the degree and magnitude of risks, the Group monitors and manages the financial risks relating to the operations. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group minimizes the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors. Compliance with policies and exposure limits is reviewed by internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

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

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

a) 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 at the end of the reporting period are set out in Note 32.

Sensitivity analysis

The Group's sensitivity analysis mainly focuses on the foreign currency risk of U.S. dollars at the end of the reporting period. Assuming a 5% strengthening/weakening of the functional currency against U.S. dollars, the net income before tax for the year ended December 31, 2024 would have decreased/increased by $147,581 thousand; the net income before tax for year ended December 31, 2023 would have decreased/increased by $64,758 thousand, respectively.

In management's opinion, the 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.

b) Interest rate risk

The Group was exposed to fair value and cash flow interest rate risk because the Group held both fixed-rate financial assets and financial liabilities. The Group's management monitors fluctuations in market interest rate regularly. If it is needed, the management performs necessary procedures to control significant interest rate risks from fluctuations in market interest rates.

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

	December 31	
	2024	**2023**
Fair value interest rate risk		
Financial assets	$ 703,101	$ 228,070
Financial liabilities	1,072,531	562,203
Cash flow interest rate risk		
Financial assets	2,073,089	868,090

The changes in interest rates did not have significant influence on the Group, so there was no sensitivity analysis.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities. Equity investments are held for strategic rather than trading purposes, the Group does not actively trade these investments. In addition, the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

The changes in equity securities did not have significant influence on the Group, so there was no sensitivity analysis.

2) Credit risk

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

The Group adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

Except for the major customer, Company A, of the Group, the Group does not have a significant credit exposure to any single counterpart or any group of counterparts with similar characteristics.

The Group's concentration of credit risk was 59% and 18% in total trade receivables as of December 31, 2024 and 2023, respectively.

The Group transacted with a large number of unrelated customers and, thus, no concentration of credit risk was observed.

3) Liquidity risk

The Group manages liquidity risk by maintaining a level of cash and cash equivalents and bank loan facilities deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

a) Liquidity for non-derivative financial liabilities

The following tables detail the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the earliest date on which the Group can be required to pay.

December 31, 2024

	On Demand or Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities			
Non-interest bearing	$ 1,443,014	$ -	$ -
Lease liabilities	15,703	123,474	-
Fixed interest rate liabilities	-	935,440	-
	$ 1,458,717	$ 1,058,914	$ -

December 31, 2023

	On Demand or Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities			
Non-interest bearing	$ 413,797	$ -	$ -
Lease liabilities	8,326	6,207	-
Fixed interest rate liabilities	342,000	206,000	-
	$ 764,123	$ 212,207	$ -

b) Financing facilities

The Group relies on bank loans as a significant source of liquidity. As of the balance sheet date, the unused amounts of bank loan facilities were as follows:

	December 31	
	2024	2023
Bank loan facilities		
Amounts unused	$ 1,653,218	$ 1,094,113

30. TRANSACTIONS WITH RELATED PARTIES

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. Besides the information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Related party name and categories

Related Party Name	Related Party Category
AuthenX Inc.	Associate

b. Purchases

	For the Year Ended December 31	
Related Party Category/Name	2024	2023
Associate		
AuthenX Inc.	$ 3,379	$ 3,960

The purchase transactions between the Company and related parties were based on agreements; the purchase prices of the products could not be compared with those of unrelated parties.

c. Prepayments

Related Party Category	December 31 2024	2023
Associate	$ -	$ 140

d. Others

Related Party Category	For the Year Ended December 31 2024	2023
Cost of goods sold		
Associate	$ 460	$ 4,050
Operating expenses		
Associate	$ 916	$ 660

e. Remuneration of key management personnel

	For the Year Ended December 31 2024	2023
Short-term employee benefits	$ 189,285	$ 62,908
Post-employment benefits	965	989
	$ 190,250	$ 63,897

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

31. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral and guarantees for the tariff of imported raw materials and goods (see Notes 9 and 14):

	December 31 2024	2023
Pledged deposits (classified as financial assets at amortized cost - non-current)	$ 3,343	$ 2,309
Land	664,140	126,000
Buildings	147,416	131,166
	$ 814,899	$ 259,475

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2024

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Financial assets			
Monetary items			
USD	$ 86,393	32.7850 (USD:NTD)	$ 2,832,407
JPY	22,392	0.2099 (JPY:NTD)	4,700
USD	23,484	7.1844 (USD:RMB)	769,920
RMB	5,703	4.5608 (RMB:NTD)	26,011
EUR	176	25.2395 (EUR:CZK)	6,021
Financial liabilities			
Monetary items			
USD	18,905	32.7850 (USD:NTD)	619,789
USD	943	7.1844 (USD:RMB)	30,927
JPY	5,542	0.2099 (JPY:NTD)	1,163

December 31, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Financial assets			
Monetary items			
USD	$ 37,477	30.7050 (USD:NTD)	$ 1,150,727
JPY	78,096	0.2172 (JPY:NTD)	16,962
USD	14,244	7.0827 (USD:RMB)	437,350
RMB	5,914	4.3352 (RMB:NTD)	25,639
Financial liabilities			
Monetary items			
USD	8,936	30.7050 (USD:NTD)	274,385
USD	604	7.0827 (USD:RMB)	18,534

The Group's gains and losses of foreign currency translation for the years ended December 31, 2024 and 2023 were net gains of $122,950 thousand and $14,807 thousand, respectively. Due to the wide variety of foreign currency transactions, it is not possible to disclose the gains and losses from the translation of each foreign currency on which the Group had a significant impact.

33. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

1) Financing provided to others (None)

2) Endorsements/guarantees provided (None)

3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures) (Table 1)

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital (None)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (None)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 2)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 3)

9) Trading in derivative instruments (None)

10) Intercompany relationships and significant intercompany transactions (Table 6)

b. Information on investees (Table 4)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 5)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Table 7)

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

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

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

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

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

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 8)

34. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group's reportable segments including radio frequency connector and optical fiber component.

a. Segments, revenues and results

The following is an analysis of the Group's revenues and results from continuing operations by reportable segment.

	Optical Fiber Component	Radio Frequency Connector	Total
For the year ended December 31, 2024			
Segment revenues	$ 5,901,735	$ 508,670	$ 6,410,405
Segment income (loss)	$ 1,335,938	$ (41,330)	$ 1,294,608
Interest income			35,461
Other income			1,931
Other gains and losses			121,241
Finance costs			(14,753)
Share of associate's loss accounted for using the equity method			(16,202)
Profit before tax (continuing operations)			$ 1,422,286
For the year ended December 31, 2023			
Segment revenues	$ 2,021,893	$ 595,492	$ 2,617,385
Segment income (loss)	$ 268,645	$ (42,712)	$ 225,933
Interest income			25,200
Other income			9,727
Other gains and losses			16,144
Finance costs			(12,738)
Share of associate's loss accounted for using the equity method			(16,513)
Profit before tax (continuing operations)			$ 247,753

The segment revenues were all generated from external customers. There were no inter-segment transactions for the years ended December 31, 2024 and 2023.

Segment profit represented the profit before tax earned by each segment without interest income, other income, other gains and losses and interest expenses. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

However, the measure of segment assets was not provided to the chief operating decision maker.

b. Revenue from major products and services

The Group's reportable segments are based on major products, no additional information need to be disclosed.

c. Geographical information

The amounts of the Group's revenue from external customers and non-current assets by location are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2024	2023	2024	2023
Taiwan	$ 780,436	$ 666,849	$ 1,518,984	$ 811,464
Asia	509,513	241,839	331,289	177,230
America	4,615,986	1,372,299	-	-
Europe	504,470	336,398	14,587	24,667
	$ 6,410,405	$ 2,617,385	$ 1,864,860	$ 1,013,361

Non-current assets excluded deferred tax assets.

d. Information on major clients

Single customers that contributed 10% or more to the Group's revenue were as follows:

	For the Year Ended December 31			
	2024		2023	
	Amount	%	Amount	%
Client A	$ 3,971,850	62	$ 804,362	31
Client B	-	-	545,803	21
	$ 3,971,850	62	$ 1,350,165	52

TABLE 1

EZCONN CORPORATION AND SUBSIDIARIES

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
EZconn Corporation	Enablence Technology Inc.	-	Investments in equity instruments at FVTOCI - non-current	1	$ -	-	$ -	2
	Lightel Technologies Inc. - ordinary shares	-	As above	1,250	74,577	5.79	74,577	-
	OpXion Tech. Incorporation	-	As above	6,000	11,004	12.22	11,004	-
	TrueLight Corporation	-	As above	617	28,413	0.55	28,413	-
	TMY TECHNOLOGY INC.	-	As above	5,200	312,000	8.66	312,000	-

Note 1: The marketable securities were not pledged.

Note 2: The carrying amount was zero as of the balance sheet date due to the impairment loss recognized in prior years.

EZCONN CORPORATION 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, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/ Sales	Amount (Foreign Currencies in Thousands) (Note)	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Foreign Currencies in Thousands) (Note)	% to Total	
EZconn Corporation	Light Master Technology (Ningbo) Inc.	Sub-subsidiary	Purchases	$ 1,321,262 (US$ 41,145 thousand)	41	T/T 90 days	-	-	$ (501,656) (US$ 15,301 thousand)	73	

EZCONN CORPORATION 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, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
Light Master Technology (Ningbo) Inc.	EZconn Corporation	Parent company	Trade receivables from related parties $ 501,656 (US$ 15,301 thousand)	-	$ -	-	$ 178,273	Note 1

Note 1: No impairment loss was recognized on trade receivables from related parties.

Note 2: Subsequent period was from January 1, 2025 to March 7, 2025.

EZCONN CORPORATION AND SUBSIDIARIES

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note 1)		As of December 31, 2024 (Note 1)			Net Income (Loss) of the Investee (Foreign Currencies in Thousands) (Note 2)	Share of Profits (Loss) (Note 2)	Note
				December 31, 2024 (Foreign Currencies in Thousands)	December 31, 2023 (Foreign Currencies in Thousands)	Shares (In Thousands)	%	Carrying Amount (Foreign Currencies in Thousands)			
EZconn Corporation	EC-Link Technology Inc.	Samoa Islands	Investment	$ 679,543	$ 679,543	-	100.00	$ 1,045,535	$ 317,199 (US$ 9,878)	$ 327,371	4
	EZconn Europe GmbH	Germany	Manufactures and sale of precision metal components and optical fiber components of various electronic products	185,143	185,143	-	100.00	70,461	2,015 (US$ 63)	2,015	4
	AuthenX Inc.	Taiwan	Manufacturing of electronic products	101,015	61,015	9,625	26.71	88,264	(41,988)	(16,202)	5
	EZConn USA Inc.	USA	Sale of precision metal components and optical fiber components of various electronic products	19,535	-	-	80.00	7,630	(10,728) (US$ -334)	(8,582)	4 and 6
	EZconn Technology Corporation	Philippines	Manufacturing of electronic products	96,579	-	-	100.00	95,603	(2,285) (PHP -4,133)	(2,285)	4 and 7
EC-Link Technology Inc.	Light Master Technology Inc.	Samoa Islands	Investment	750,022 (US$ 22,877)	750,022 (US$ 22,877)	-	100.00	1,025,541 (US$ 31,281)	317,240 (US$ 9,879)		
EZconn Europe GmbH	EZconn Czech a.s.	Czech	Manufacturing of various optical communication components	65,207 (EUR 1,910)	65,207 (EUR 1,910)	-	100.00	74,942 (EUR 2,195)	3,373 (EUR 97)		
EZconn Czech a.s.	EZconn technologies CZ s.r.o.	Czech	Manufacturing and research of optical communication components	13,526 (CZK 10,000)	13,526 (CZK 10,000)	-	100.00	7,681 (CZK 5,678)	(730) (CZK -529)		

Note 1: The calculation was based on December 31, 2024.

Note 2: The calculation was based on the average rate from January 1, 2024 to December 31, 2024.

Note 3: For information on invested company in mainland China, refer to Table 5.

Note 4: All intercompany transactions have been eliminated in consolidation.

Note 5: Refer to Note 13 for more information.

Note 6: In order to expand its business, the Company's board of directors resolved to on November 7, 2023 to set up a subsidiary in the United States. As of December 31, 2024, the company has invested US$600 thousand in EZConn USA Inc.

Note 7: In order to expand its business, the Company's board of directors resolved to on May 8, 2024 to set up a subsidiary in the Philippines. As of December 31, 2024, the company has invested US$3,000 thousand in EZconn Technology Corporation.

EZCONN CORPORATION AND SUBSIDIARIES

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

Investee Company	Main Businesses and Products	Paid-in Capital (Foreign Currencies in Thousands) (Note 3)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024 (Foreign Currencies in Thousands) (Note 3)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024 (Foreign Currencies in Thousands) (Note 3)	Net Income (Loss) of the Investee (Foreign Currencies in Thousands) (Notes 4 and 6)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Foreign Currencies in Thousands) (Notes 4, 6 and 7)	Carrying Amount as of December 31, 2024 (Foreign Currencies in Thousands) (Notes 3 and 6)	Accumulated Repatriation of Investment Income as of December 31, 2024 (Note 2)
					Outflow	Inflow						
Light Master Technology (Ningbo) Inc.	Manufacture and sale of optical fiber components and cable connector	$ 491,775 (US$ 15,000)	Note 1	$ 692,977 (US$ 21,137)	$ -	$ -	$ 692,977 (US$ 21,137)	$ 316,485 (US$ 9,856)	100	$ 317,281 (US$ 9,880)	$ 1,022,756 (US$ 31,196)	$ 588,542

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2024 (Foreign Currencies in Thousands) (Note 3)	Investment Amounts Authorized by Investment Commission, MOEA (Foreign Currencies in Thousands) (Notes 1 and 3)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$692,977 (US$21,137)	$748,383 (US$22,827)	$2,217,645 (Note 5)

Note 1: The Company indirectly invested in Light Master Technology (Ningbo) Inc. through EC-Link Technology Inc. by investing via 3rd region. The amount included capital surplus of US$1,690 thousand of Light Master Technology (Ningbo) Inc.

Note 2: The board of directors of Light Master Technology (Ningbo) Inc. adopt a resolution to distribute dividends in cash of $118,359 thousand (RMB27,301 thousand), $81,943 thousand (RMB19,074 thousand), $119,269 thousand (RMB28,528 thousand), $117,566 thousand (RMB27,063 thousand) and $151,405 thousand (RMB34,201 thousand) on November 2018, November 2019, September 2020, October 2021, and August 2023, respectively. The Company repatriated of Investment Income through EC-Link Technology Inc. on December 2019, March and December 2021 and August 2023, respectively. The accumulated repatriation of investment income as of December 31, 2024 was $588,542 thousand.

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

Note 4: The calculation was based on the average exchange rate from January 1, 2024 to December 31, 2024.

Note 5: The calculation was based on 60% of the Company's net worth on December 31, 2024.

Note 6: The basis for investment income (loss) recognition is the financial statements audited and attested by parent company's CPA in the ROC.

Note 7: The share of profits/losses of investee included the effect of unrealized gross profit on intercompany transaction.

EZCONN CORPORATION AND SUBSIDIARIES

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

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Account	Amount (Note 3)	Payment Terms	% to Total Sales or Assets (Note 4)
0	EZconn Corporation	Light Master Technology (Ningbo) Inc.	a	Trade payables to related parties	$ 501,656	No significant difference to others	7.13
		Light Master Technology (Ningbo) Inc.	a	Cost of goods sold	1,321,262	No significant difference to others	20.61
		Light Master Technology (Ningbo) Inc.	a	Payables for equipment to related parties	773	No significant difference to others	0.01
		EZconn Czech a.s.	a	Sales revenue	730	No significant difference to others	0.01
1	EZconn Europe GmbH	EZconn Czech a.s.	c	Other income	1,181	No significant difference to others	0.02
2	EZconn Czech a.s.	EZconn Technologies CZ s.r.o.	c	Trade payables to related parties	389	No significant difference to others	0.01
		EZconn Technologies CZ s.r.o.	c	Cost of goods sold	5,555	No significant difference to others	0.09
3	Light Master Technology (Ningbo) Inc.	EZconn Czech a.s.	c	Sales revenue	772	No significant difference to others	0.01

Note 1: The information about the transactions between the Company and the subsidiaries are marked in the note column as follows:

a. The Company: 0.
b. The subsidiaries were marked in numerical order from 1.

Note 2: Investment types as follows:

a. The Company to the subsidiaries.
b. The subsidiaries to the Company.
c. Between the subsidiaries.

Note 3: All intercompany transactions have been eliminated upon consolidation.

Note 4: The ratio of transaction amounts to total sales revenue or assets is calculated as follows: (1) asset or liability: The ratio was calculated based on the ending balance over the total consolidated assets; (2) income or loss: The ratio was calculated based on the midterm accumulated amounts over the total consolidated sales revenue.

EZCONN CORPORATION AND SUBSIDIARIES

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

Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
		Amount	% to Total		Payment Term	Comparison with Normal Transaction	Ending Balance	% to Total		
Light Master Technology (Ningbo) Inc.	Purchases	$ 1,321,262	41	No significant difference to others	No significant difference to others	No significant difference to others	$ (501,656)	73	$ 10,821	

EZCONN CORPORATION

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2024

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
CabTel Corporation Investment Accounts commissioned to CTBC Bank	6,295,555	8.28

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

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, refer to Market Observation Post System.