Stock Code: 6150

Tul Corp. and Subsidiaries

Consolidated Financial Statements and Independent Auditor's Report

2024 and 2023

Address: 7-7F, No. 79, Section 1, Xintai Fifth Road,
Xizhi District, New Taipei City

Tel: (02)8698-3000

§Table of Contents§

Declaration of Affiliates' Consolidated Financial Reports

For the year 2024 (January 1 to December 31, 2024), the companies that should be included in the consolidated financial statements of affiliated companies in accordance with the "Regulations Governing the Preparation of Consolidated Statements of Operations of Affiliated Companies and Related Party Reports" are the same as those that should be included in the consolidated financial statements of parent and subsidiary companies in accordance with IFRS 10, and the information required to be disclosed in the consolidated financial statements of affiliated companies has already been disclosed in the aforementioned consolidated financial statements of parent and subsidiary companies. The relevant information has been disclosed in the aforementioned consolidated financial statements of the parent and subsidiary, and therefore no separate consolidated financial statements of the related companies are prepared.

We hereby declare the above.

Company name: Tul Corp.

Chairman: Mao-Sung Chang

March 13, 2025

Independent Auditor's Report

To Tul Corp.:

Audit Opinion

We have duly audited the consolidated balance sheet of Tul Corp. and its subsidiaries as of December 31, 2024 and 2023, and the consolidated comprehensive income statement, consolidated statement of changes in equity and consolidated cash flow statement from January 1 to December 31, 2024 and 2023, as well as notes to the consolidated financial statements (including the summary of significant accounting policies).

In our opinion, the consolidated financial statements referred to above have been prepared, in all material respects, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, and Interpretations and Interpretation Announcements recognized and released by the Financial Supervisory Commission, and are fairly stated in terms of the consolidated financial position of Tul Group as of December 31, 2024 and 2023, and the consolidated financial performance and consolidated cash flows from January 1 to December 31, 2024 and 2023.

Basis of Audit Opinion

We conducted the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant and the Generally Accepted Auditing Standards. Our responsibility under these standards will be further explained in the paragraph on our responsibility to review the consolidated financial statements. The staff of the firm to which we are affiliated, who are subject to the independence regulation, have maintained superior independence from Tul Group in accordance with the Code of Ethics for Accountants, and have fulfilled other responsibilities under the Code. We believe that we have obtained sufficient and appropriate audit evidence to form the basis of our audit opinion.

Key Audit Matters

Key audit matters are those that, in our professional judgment, are material to the examination of the consolidated financial statements of Tul Group for 2024. These matters have been considered in the process of examining the consolidated financial statements taken as a whole and forming an opinion thereon, and we do not express an opinion on these matters individually.

Key audit matters for Tul Group's 2024 consolidated financial statements are stated as follows:

Authenticity of sales revenue from major customers

Tul Group is mainly engaged in the manufacturing and sales of computer display cards; this product has a short lifecycle and fierce market competition, and the main customer base has undergone significant changes. There was significant fluctuation in the business contribution of specific customer groups. The authenticity of revenue from sales of goods and whether revenue recognition follows appropriate accounting principles significantly impact financial performance. Therefore, emphasis is placed on the authenticity of sales targets and their transactions for the aforementioned customer groups, which are listed as key audit matters.

Please refer to note 4 for the accounting policies related to revenue.

Our audit procedures for them include:

1. Understand the internal control procedures related to Tul Group’s sales transactions, and accordingly design internal control audit procedures in response to the risks to confirm and evaluate the effectiveness of the customer’s related internal control operations for sales transactions.
2. Check whether the credit information, background, transaction amount, credit limit, and company size of the main sales customers of the year are reasonable.
3. Select appropriate samples from the sales details of the main sales customers, check the original orders, external transportation documents or customer receipts, and confirm the payment recovery situation.

Other Matters

Tul Corp. has prepared individual financial statements for the years 2024 and 2023, and we have issued an unqualified audit report on the table for reference.

Responsibility of the Management and Governance Unit to Consolidated Financial Statements

The responsibility of the management is to properly prepare consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, and Interpretations and Interpretation Announcements recognized and released by the Financial Supervisory Commission, and maintain essential internal controls related to the preparation of consolidated financial statements to ensure that there are no significant discrepancies in the consolidated financial statements due to fraud or error.

In preparing the consolidated financial statements, the management's responsibility also includes assessing Tul Group’s ability to continue as a going concern, the disclosure of related matters, and the adoption of the going concern accounting basis, unless the management intends to liquidate Tul Group or to cease operations, or there is no practical alternative other than liquidation or cessation of operations.

The governance unit (including the Audit Committee) of Tul Group bears the responsibility of supervising the financial reporting process.

The Auditors' Responsibility to Audit the Consolidated Financial Statements

The purpose of our audit is to obtain reasonable assurance as to whether the overall consolidated financial statements are free from material misstatements due to fraud or error, and to issue a report thereon. Reasonable assurance refers to high assurance. However, an audit performed in accordance with the Generally Accepted Auditing Standards does not guarantee that material misstatements in the consolidated financial statements can be detected. Misstatements can be attributed to frauds or errors. Misrepresented individual or aggregate amounts are considered material if they can be reasonably expected to affect the economic decisions made by the users of the consolidated financial statements.

When conducting our audit in accordance with generally accepted auditing standards, we exercised our professional judgment and maintained our professional skepticism. We also performed the following tasks:

1. Identify and assess the risks of material misstatements of the consolidated financial statements arising from frauds or errors, design and implement appropriate responses to the risks assessed, and obtain sufficient and appropriate evidence to provide a basis for the audit opinion. Frauds may involve conspiracy, forgery, intentional omission, untruthful declaration or breach of internal control, and our audit did not find any material misstatement where the risk of fraud is greater than the risk of error.
2. Obtain an understanding of the internal control relevant to our 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 Tul Group's internal control.
3. Evaluate the appropriateness of the accounting policies adopted by the management level, the rationality of its accounting estimates, and the relevant disclosures.
4. Based on the evidence obtained, make a conclusion on the appropriateness of the management's adoption of accounting on a going concern basis, and whether there is any material uncertainty about the events or circumstances that may cast significant doubt on the ability of Tul Group to continue as a going concern. If we believe that there is a material uncertainty about such events or conditions, we need to draw the attention of users of the consolidated financial statements to the relevant disclosures in the audit report, or revise our audit opinion if such disclosures are inappropriate. Our conclusion is based on the audit evidence obtained up to the date of the audit report. However, future events or

circumstances may cause Tul Group to cease to have the ability to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the related notes, and whether the consolidated financial statements present fairly the related transactions and events.
6. Obtain sufficient and appropriate audit evidence on the financial information of the constituent entities of Tul Group, in order to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and execution of the audit of Tul Group, and for forming an opinion on the audit of the Group.

The matters we communicated with the governance unit include the planned audit scope and time, and major audit findings (including significant deficiencies in internal control identified during the audit).

We also provided the governing unit with a statement that the independence-regulated personnel of the firm to which we are affiliated with have complied with the Code of Ethics for Accountants with respect to independence, and communicated with the governing unit about all relationships and other matters (including related safeguard measures) that may be considered to affect our independence.

From the matters communicated with the governance unit, we decided on the key audit items for the audit of the annual consolidated financial statements of Tul Group for 2024. We identified those matters in our audit report, except for those matters that are not permitted by law to be disclosed publicly or, in the rarest of circumstances where we decided not to communicate those matters in our audit report, because the negative effect of such communication could be reasonably expected to outweigh the public interest that would be served.

Deloitte Taiwan

Chiu, Meng-Chie, CPA

Chang, Ching-Hsia, CPA

March 13, 2025

Tul Corp. and Subsidiaries

Consolidated Balance Sheet

December 31, 2024 and 2023

Unit: NT$1,000

Code	Assets	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current Assets				
1100	Cash and cash equivalents (notes 4 and 6)	$ 555,970	14	$ 602,591	14
1110	Current financial assets at fair value through profit or loss (notes 4 and 7)	5,157	-	6,682	-
1136	Financial assets at amortized cost - current (notes 4, 9, and 31)	6,124	-	5,447	-
1140	Current contract assets (notes 4 and 23)	4,463	-	16,344	-
1150	Notes receivable, net (notes 4, 10, and 23)	351	-	700	-
1170	Accounts receivable, net (notes 4, 10, 23 and 30)	1,033,101	27	901,008	21
1200	Other receivables (note 4)	14,135	-	29,589	1
130X	Current inventories (notes 4 and 11)	1,043,158	27	1,536,973	36
1410	Prepayments (note 30)	57,862	2	40,350	1
1470	Other current assets	18,270	1	16,693	1
11XX	Total Current Assets	2,738,591	71	3,156,377	74
	Non-current assets				
1517	Non-current financial assets at fair value through other comprehensive income (notes 4 and 8)	30,457	1	25,810	1
1550	Investments accounted for using equity method (notes 4 and 13)	6,440	-	702	-
1600	Property, plant and equipment (notes 4, 14 and 31)	915,121	24	938,937	22
1755	Right-of-use assets (notes 4 and 15)	4,683	-	3,635	-
1760	Investment property (notes 4, 16, and 31)	33,001	1	33,323	1
1780	Intangible assets (notes 4 and 17)	7,677	-	6,850	-
1840	Deferred tax assets (notes 4 and 25)	80,205	2	67,689	2
1915	Prepayments for equipment	5,784	-	-	-
1920	Guarantee deposits paid (note 4)	15,463	1	16,315	-
1975	Net defined benefit asset (notes 4 and 21)	12,848	-	11,754	-
15XX	Total Non-Current Assets	1,111,679	29	1,105,015	26
1XXX	Total Assets	$ 3,850,270	100	$ 4,261,392	100

Code	Liabilities and Equity	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current Liabilities				
2100	Current borrowings (notes 18, 30, and 31)	$ 652,466	17	$ 842,569	20
2130	Contract liabilities (note 23)	63,526	1	90,359	2
2170	Accounts payable (note 30)	1,029,089	27	1,130,249	26
2200	Other payables (note 20)	179,268	5	248,087	6
2230	Current tax liabilities	4,214	-	3,729	-
2250	Current provisions (note 4)	29,008	1	29,115	1
2280	Current lease liabilities (notes 4 and 15)	2,862	-	2,181	-
2320	Corporate bonds payable due within one year (notes 4 and 19)	-	-	220,905	5
2399	Other current liabilities	24,862	-	36,099	1
21XX	Total Current Liabilities	1,985,295	51	2,603,293	61
	Non-current Liabilities				
2530	Bonds payable (notes 4 and 19)	381,219	10	-	-
2570	Deferred tax liabilities (notes 4 and 25)	9,798	-	16,721	-
2580	Non-current lease liabilities (notes 4 and 15)	1,906	-	1,469	-
2670	Other non-current Liabilities	19,048	1	17,687	1
25XX	Total Non-current Liabilities	411,971	11	35,877	1
2XXX	Total Liabilities	2,397,266	62	2,639,170	62
	Equity attributable to owners of the company (note 22)				
3110	Common share capital	483,460	13	483,460	11
3200	Capital surplus	840,253	22	791,911	19
	Retained earnings				
3310	Legal reserve	148,988	4	148,988	3
3320	Special reserve	33,373	1	28,156	1
3350	Undistributed earnings (accumulated deficit)	(22,353)	(1)	200,251	5
3300	Total retained earnings	160,008	4	377,395	9
	Other Equity				
3410	Exchange differences on translation of foreign financial statements	855	-	(254)	-
3420	Unrealized gains and losses of financial assets at fair value through other comprehensive income	(34,472)	(1)	(33,119)	(1)
3400	Total Other Equity	(33,617)	(1)	(33,373)	(1)
31XX	Total equity of company owner	1,450,104	38	1,619,393	38
36XX	Non-controlling interests (notes 12 and 27)	2,900	-	2,829	-
3XXX	Total Equity	1,453,004	38	1,622,222	38
	Total Liabilities and Equity	$ 3,850,270	100	$ 4,261,392	100

The accompanying notes are a part of this consolidated financial report.

Tul Corp. and Subsidiaries

Consolidated Comprehensive Income Statement

January 1 to December 31, 2024 and 2023

Unit: NT$1,000, but NT$ for loss per share

Code		2024 Amount	2024 %	2023 Amount	2023 %
4000	Operating revenues (notes 4, 23, and 30)	$ 4,696,299	100	$ 5,412,091	100
5000	Operating costs (notes 11, 24, and 30)	(4,508,787)	(96)	(5,237,862)	(97)
5900	Gross profit	187,512	4	174,229	3
	Operating expenses (notes 24 and 30)				
6100	Selling expenses	(204,036)	(4)	(194,109)	(3)
6200	Administrative expenses	(133,128)	(3)	(98,996)	(2)
6300	Research and development expenses	(50,180)	(1)	(46,647)	(1)
6450	Expected credit impairment reversal gain (impairment loss)	2,551	-	(25)	-
6000	Total operating expenses	(384,793)	(8)	(339,777)	(6)
6900	Operating net loss	(197,281)	(4)	(165,548)	(3)
	Non-operating income and expenses (note 24)				
7100	Interest income	4,992	-	5,232	-
7010	Other income	9,802	-	7,806	-
7020	Other gains and losses	18,001	1	11,597	-
7050	Financial costs (note 30)	(45,362)	(1)	(26,186)	-
7070	Share of profit or loss of associates using the equity method (notes 4 and 13)	(3,980)	-	(1,447)	-
7000	Total non-operating income and expenses	(16,547)	-	(2,998)	-
7900	Net loss before tax	(213,828)	(4)	(168,546)	(3)
7950	Income tax benefits (notes 4 and 25)	15,524	-	28,237	-
8200	Net loss for the year	(198,304)	(4)	(140,309)	(3)

(Continued on the next page)

(Continued from the previous page)

Code		2024 Amount	2024 %	2023 Amount	2023 %
	Other comprehensive income (notes 4, 21 and 25)				
	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	$ 1,114	-	($ 104)	-
8316	Unrealized gains of equity instrument investment at fair value through other comprehensive income	(1,353)	-	(17,625)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(225)	-	21	-
8310		(464)	-	(17,708)	-
	Components of other comprehensive income that will be reclassified to profit or loss:				
8361	Exchange differences on translation of foreign financial statements	1,359	-	2,108	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(250)	-	(421)	-
8360		1,109	-	1,687	-
8300	Current other comprehensive income (net of income tax)	645	-	(16,021)	-
8500	Total current comprehensive income	($ 197,659)	(4)	($ 156,330)	(3)
	Net loss attributable to:				
8610	Owners of parent	($ 198,005)	(4)	($ 137,282)	(3)
8620	Non-controlling Interests	(299)	-	(3,027)	-
8600		($ 198,304)	(4)	($ 140,309)	(3)
	Comprehensive income attributable to:				
8710	Owners of parent	($ 197,360)	(4)	($ 152,561)	(3)
8720	Non-controlling Interests	(299)	-	(3,769)	-
8700		($ 197,659)	(4)	($ 156,330)	(3)
	Loss per share (note 26)				
9710	Basic	($ 4.10)		($ 2.84)	
9810	Diluted	($ 4.10)		($ 2.84)	

The accompanying notes are a part of this consolidated financial report.

Tul Corp. and Subsidiaries

Consolidated Statement of Changes in Equity

January 1 to December 31, 2024 and 2023

Unit: NT$1,000

		Equity attributable to owners of the company										
		Share capital			Retained earnings			Other Equity				
Code		Common share capital	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Undistributed earnings (accumulated deficit)	Exchange differences on translation of foreign financial statements	Unrealized gains and losses of financial assets at fair value through other comprehensive income	Total	Non-controlling Interests	Total Equity
A1	Balance on January 1, 2023	$ 483,460	$ -	$ 792,496	$ 148,988	$ -	$ 375,751	($ 1,941)	($ 26,215)	$ 1,772,539	$ 6,939	$ 1,779,478
	2022 appropriation and distribution of retained earnings											
B3	Provision of special reserve	-	-	-	-	28,156	(28,156)	-	-	-	-	-
D1	2023 net loss	-	-	-	-	-	(137,282)	-	-	(137,282)	(3,027)	(140,309)
D3	2023 other comprehensive income net of tax	-	-	-	-	-	(83)	1,687	(16,883)	(15,279)	(742)	(16,021)
D5	2023 total comprehensive income	-	-	-	-	-	(137,365)	1,687	(16,883)	(152,561)	(3,769)	(156,330)
M5	Difference between the Acquisition or Disposal Price of Subsidiary Shares and their Carrying Amount (note 27)	-	-	(585)	-	-	-	-	-	(585)	585	-
N1	Decrease in non-controlling interests (notes 12 and 27)	-	-	-	-	-	-	-	-	-	(1,026)	(1,026)
O1	Increase in non-controlling interests (note 12)	-	-	-	-	-	-	-	-	-	100	100
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	(9,979)	-	9,979	-	-	-
Z1	Balance on December 31, 2023	483,460	-	791,911	148,988	28,156	200,251	(254)	(33,119)	1,619,393	2,829	1,622,222
	2023 appropriation and distribution of retained earnings											
B1	Provision of special reserve	-	-	-	-	5,217	(5,217)	-	-	-	-	-
D1	2024 net loss	-	-	-	-	-	(198,005)	-	-	(198,005)	(299)	(198,304)
D3	2024 other comprehensive income net of tax	-	-	-	-	-	889	1,109	(1,353)	645	-	645
D5	2024 total comprehensive income	-	-	-	-	-	(197,116)	1,109	(1,353)	(197,360)	(299)	(197,659)
C5	Equity component of convertible corporate bonds issued by the Company (note 19)	-	-	48,339	-	-	-	-	-	48,339	-	48,339
C7	Changes in affiliates and joint ventures accounted for using the equity method	-	-	-	-	-	(20,271)	-	-	(20,271)	-	(20,271)
C17	Overdue dividends not collected by shareholders	-	-	3	-	-	-	-	-	3	-	3
O1	Increase in non-controlling interests (note 12)	-	-	-	-	-	-	-	-	-	370	370
Z1	Balance on December 31, 2024	$ 483,460	$ -	$ 840,253	$ 148,988	$ 33,373	($ 22,353)	$ 855	($ 34,472)	$ 1,450,104	$ 2,900	$ 1,453,004

The accompanying notes are a part of this consolidated financial report.

Tul Corp. and Subsidiaries

Consolidated Statement of Cash Flows

January 1 to December 31, 2024 and 2023

Unit: NT$1,000

Code		2024	2023
	Cash flows from (used in) operating activities		
A10000	Net loss before tax for the current year	($ 213,828)	($ 168,546)
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	55,486	43,271
A20200	Amortization expense	4,117	3,218
A20300	(Gain on reversal of) expected credit impairment loss	(2,551)	25
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	459	(1,695)
A20900	Financial costs	45,362	26,186
A21200	Interest income	(4,992)	(5,232)
A21300	Dividend income	(188)	(1,120)
A22300	Share of loss of associates accounted for using equity method	3,980	1,447
A22500	Gains on disposals of property, plant and equipment	-	(1,390)
A23100	Disposal of investment losses	5	1,341
A23700	Inventory valuation and retirement losses	41,831	84,235
A24100	Unrealized foreign currency exchange gains and losses	43,223	(33,677)
A29900	Others	(3)	-
A30000	Net change in operating assets and liabilities		
A31125	Contract asset	11,881	15,392
A31130	Notes receivable	349	(700)
A31150	Accounts receivable	(111,681)	(112,218)
A31180	Other receivables	15,479	(24,010)
A31200	Inventories	451,623	(511,464)
A31230	Prepayments	(16,894)	10,385
A31240	Other current assets	(578)	2,575
A32125	Contract liabilities	(26,833)	62,970
A32130	Notes payable	-	(3,708)
A32150	Accounts payable	(141,145)	306,728
A32180	Other payables	(55,759)	(23,489)
A32200	Provisions	1,284	1,478
A32230	Other current liabilities	(11,973)	29,686
A32240	Net defined benefit asset	20	(45)
A32990	Other non-current Liabilities	1,361	(17,466)
A33000	Cash inflow (outflow) generated from operations	90,035	(315,823)
A33100	Interest received	4,967	5,246
A33300	Interest paid	(36,237)	(22,440)
A33500	Income tax paid	(9,021)	(17,830)
AAAA	Net cash flows from (used in) operating activities	49,744	(350,847)

(Continued on the next page)

(Continued from the previous page)

Code		2024	2023
	Cash flows from (used in) investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	($ 6,000)	($ 257)
B00040	Increase in financial assets at amortized cost	(677)	-
B00050	Decrease in financial assets at amortized cost	-	29,738
B00100	Acquisition of financial assets at fair value through profit or loss	(105,065)	-
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	107,394	80,547
B01800	Acquisition of associates	(30,000)	-
B01900	Disposal of associates	356	-
B02400	Return of share price of an invested company under the equity method	-	3,150
B02700	Acquisition of property, plant, and equipment	(42,086)	(50,415)
B02800	Gains on disposals of property, plant and equipment	-	5,328
B03700	Increase in refundable deposits	-	(206)
B03800	Decrease in refundable deposits	1,170	-
B04500	Acquisition of intangible assets	(4,944)	(5,900)
B07100	Increase in prepayments for equipment	(5,784)	-
B07600	Receive other dividends	188	1,120
BBBB	Net cash inflow (outflow) from investing activities	(85,448)	63,105
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	-	441,745
C00200	Decrease in short-term loans	(210,834)	-
C01200	Issuance of convertible corporate bonds	421,954	-
C01300	Redemption of corporate bonds	(222,579)	-
C04020	Payments of lease liabilities	(3,657)	(2,182)
C05800	Change in non-controlling Interests	-	(926)
C09900	Other items	3	-
CCCC	Net cash flows from (used in) financing activities	(15,113)	438,637
DDDD	Effect of exchange rate changes on cash and cash equivalents	4,196	6,144
EEEE	Net increase (decrease) in cash and cash equivalents	(46,621)	157,039
E00100	Beginning cash and cash equivalents	602,591	445,552
E00200	Ending cash and cash equivalents	$ 555,970	$ 602,591

The accompanying notes are a part of this consolidated financial report.

Tul Corp. and Subsidiaries

Notes to Consolidated Financial Statements

January 1 to December 31, 2024 and 2023

(unless otherwise specified, the amount is in NT$ thousand)

I. Company History

Tul Corp. (hereinafter referred to as “The Company”) was established in October 1997, mainly engaged in the sales of computer display cards.

The Company's stock was traded on the GreTai Securities Market since March 2002.

On May 4, 2023, the Board of Directors resolved to divest the design and manufacturing services and embedded application business units to our wholly-owned subsidiary, Sparkle Computer Co., Ltd. (hereinafter referred to as "Sparkle Computer"), to implement specialized division of labor within the group. This aims to diversify operations and enhance overall operational performance and market competitiveness through independent operation.

The company will transfer the related business operations of the design and manufacturing services and embedded applications to Sparkle Computer. This transfer will serve as consideration for Sparkle Computer issuing new shares to our company. As a result of this division, Sparkle Computer has issued 11,000 ordinary shares at a par value of NT$10 per share, with the division base date being June 30, 2023.

This consolidated financial report is expressed in New Taiwan dollars, the functional currency of the Company.

II. Approval Date and Procedure of the Financial Statements

This consolidated financial report was approved by the Board of Directors on March 13, 2025.

III. Application of New Standards, Amendments, and Interpretations

(I) The first application of the Financial Supervisory Commission (hereinafter referred to as the "FSC") recognized and issued International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC) and Interpretations Announcements (SICs) (hereinafter referred to as "IFRS Accounting Standards").

The application of the revised IFRS Accounting Standards recognized and issued by the FSC will not result in significant changes in the accounting policies of the consolidated company.

(II) Applicable IFRS Accounting Standards recognized by the FSC for 2025

Newly Issued, Amended and Revised Standards and Interpretations	IASB release date
Amendments to IAS 21 "Lack of Convertibility"	January 1, 2025 (note 1)
Amendments to IFRS 9 and IFRS 7 "Amendment to the Classification and Measurement of Financial Instruments" regarding the application guidance on the classification of financial assets	January 1, 2026 (note 2)

Note 1: Applicable to annual reporting periods beginning on or after January 1, 2025. Upon the initial application of the amendments, the financial statements for comparative period shall not be restated. Instead, the effect shall be recognized in the retained earnings on the date of initial application or the exchange differences of foreign operation under equity (if appropriate), along with affected assets and liabilities.

Note 2: Applicable to annual reporting periods beginning on or after January 1, 2026, with early application permitted from January 1, 2025. Upon the first-time application of the amendment, the cumulative effects, to which amendments are applied retrospectively, should be recognized on the first-time application date, while comparative periods are not required to be restated. However, if the entity can restate without using hindsight, it may choose to restate the comparative periods.

As of the approval and release date of this consolidated financial statement, the consolidated entity assesses that the amendments to other standards and interpretations will not have a significant impact on the financial position and performance.

(III) IFRS accounting standards issued by the IASB but not yet endorsed and issued into effect by the FSC

Newly Issued, Amended and Revised Standards and Interpretations	IASB release date (note 1)
"IFRS Annual Improvements - Volume 11"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendment to the Classification and Measurement of Financial Instruments" regarding the application guidance on the derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 7 and IFRS 9 “Contracts Relating to Nature-Dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Asset Sale or Investment between the Investor and Its Related Enterprises or Joint Ventures"	Undetermined.
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendment to IFRS 17	January 1, 2023
Amendment to IFRS 17 "First 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 otherwise specified, the newly issued, amended or revised standards or interpretations shall come into effect in the period of annual reporting starting after each such date.

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements” and the main changes include:

- Items of income and expenses included in the income statement shall be classified into operating, investing, financing, income tax, and discontinued operations categories.
- The income statement shall present subtotals and totals for operating profit or loss, profit or loss before financing and tax, and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The consolidated company shall identify the assets, liabilities, equity, income, expenses, and cash flows that arise from individual transactions or other events and 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. Items with dissimilar characteristics shall

be disaggregated in the primary financial statements and in the notes. The consolidated company labels items as “other” only if it cannot find a more informative label.

- Adds disclosures on management-defined performance measures: When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the company as a whole, the consolidated company shall disclose related information about its management-defined performance measures 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.

Further to the aforementioned influence, as of the date of publication of this consolidated financial report, the consolidated company has continued evaluating other impact of amendments to standards and interpretations on its financial condition and performance, and will disclose the relevant impact when the evaluation is completed.

IV. Summary of Significant Accounting Policies

(I) Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS accounting standard endorsed and issued into effect by the FSC.

(II) Basis of Preparation

Other than financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of defined benefit obligations less the fair value of planned assets, the consolidated financial statements are prepared based on historical cost.

Fair value measurement is divided into levels 1 to 3 according to the observability and importance of relevant input values:

1. Level 1 input value: refers to the quoted price (unadjusted) of the same assets or liabilities available in the active market on the measurement date.
2. Level 2 input value: refers to the directly (i.e. price) or indirectly (i.e. derived from price) observable input value of assets or liabilities other than the quotation of level 1.

3. Level 3 input value: refers to the unobservable input value of assets or liabilities.

(III) Criteria for Distinguishing Current and Non-current Assets and Liabilities

Non-current assets include:

1. Assets held primarily for trading purposes.
2. Assets expected to be realized within 12 months of the balance sheet date; and
3. Cash and cash equivalents (other than those restricted from being exchanged or settled more than 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for trading purposes.
2. Liabilities due for settlement within 12 months of the balance sheet date, and
3. The entity on the balance sheet date does not have in substance the right to defer settlement of the liability for at least 12 months after the balance sheet date.

Current assets or liabilities not classified as current assets or liabilities are classified as non-current assets or non-current liabilities.

For a construction project of the consolidated company, with its business cycle longer than one year, the assets and liabilities related to construction are classified as current or non-current based on the normal business cycle.

(IV) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and the entities (subsidiaries) controlled by the Company. The financial statements of the subsidiaries have been adjusted, so that their accounting policies are consistent with those of the consolidated company. In the preparation of the consolidated financial statements, all transactions, account balances, income and expense among the entities have been eliminated. The total comprehensive income of the subsidiaries is attributable to the owners and is the non-controlling interest of the Company, even if the non-controlling interest becomes a loss.

Please refer to note 12 and Appendix 6 for the details of subsidiaries, shareholding ratios and business items.

(V) Foreign currency

When preparing the individual financial statements, if transactions are conducted in a currency other than the individual's functional currency (foreign currency), the amounts are translated into the functional currency based on the exchange rate on the transaction dates.

Monetary items denominated in foreign currencies are translated at the closing rate on each balance sheet date. Exchange differences arising from the settlement of monetary items or the translation of monetary items are recognized in profit or loss in the period of occurrence.

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

For the purpose of preparing consolidated financial statements, the assets and liabilities of the foreign operations (including subsidiaries that operate in countries using currencies different from the currency of the Company) are translated into New Taiwan dollars at the exchange rates prevailing on each balance sheet date. Income and expense items are translated at average exchange rate for the period, with the resulting exchange difference recorded in other comprehensive income.

(VI) Inventories

Inventories include raw materials, finished goods and work-in-process. Inventories are measured at the lower of cost or net realizable value. Comparisons between costs and net realizable values are made on an item-by-item basis, except for inventories of the same type. The net realizable value is the estimated selling price under normal circumstances less the estimated costs still to be invested for completion and the estimated costs required to complete the sale. The cost of inventories is calculated using the weighted-average method.

(VII) Investment in affiliated enterprises

Affiliated enterprises refer to enterprises which the consolidated company has significant influence over, but are not subsidiaries or joint ventures.

The consolidated company applies the equity method to investment in affiliated enterprises.

Under the equity method, investments in affiliated enterprises are initially recognized at cost, and the carrying amount is increased or decreased with the consolidated company's share of the affiliated enterprises and other comprehensive income or loss and profit distribution. In addition, the change in the equity in affiliated enterprises is recognized in proportion to the shareholding.

When an affiliated enterprise issues new shares, if the consolidated company fails to subscribe to the shares proportionally to its shareholding, resulting in a change in the shareholding ratio and thus causing an increase or decrease in the net equity investment, the increase or decrease should adjust the capital reserve - changes in the net equity of the enterprise and joint ventures, and investments under the equity method. However, if the shareholding in the affiliated company is decreased due to the failure to subscribe or acquire the equity in proportion to the shareholding, the amount related to the affiliated company recognized in other comprehensive income shall be reclassified proportionally to the decrease. If the related assets or liabilities are directly disposed of on the same basis; if the aforementioned adjustment should be debited to capital reserve, and the capital reserve balance generated by investment under the equity method is insufficient, the difference will be debited to retained earnings.

When the loss share of the consolidated company in the affiliated enterprise is equal to or exceeds its equity in the affiliated enterprise (including the carrying amount of investment in the affiliated enterprise using the equity method, and other long-term equity that is essentially a component of the consolidated company's net investment in the affiliated enterprise), further losses shall be immediately stopped from being recognized. The consolidated company recognizes additional losses and liabilities only to the extent of legal obligations, constructive obligations, or payments that have been made on behalf of related enterprises.

When evaluating an impairment, the consolidated company considers the overall carrying amount of the investment as an asset, and compares the recoverable amount with the carrying amount to conduct an impairment test. The recognized impairment loss also belongs to a part of the carrying amount of the investment. Any reversal of impairment losses shall be recognized to the extent that the recoverable amount of the investment continues to increase.

(VIII) Property, Plants, and Equipment

Property, plant and equipment are recognized at cost, and later measured at cost less accumulated depreciation.

Property, plant and equipment are depreciated separately over their useful lives on a straight-line basis for each significant component. The consolidated company reviews the estimated useful lives, residual values and depreciation methods at the end of each year, at least, and defers the effect of changes in applicable accounting estimates.

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

(IX) Investment property

Investment property refers to property held for the purpose of earning rent and capital appreciation or both.

Investment property is initially measured at cost (including transaction costs), and later measured at cost minus accumulated depreciation. The consolidated company adopts a straight-line basis for depreciation.

(X) Intangible Assets

1. Individual acquisition

Individually acquired intangible assets with finite useful lives are initially measured at cost and later measured at cost less accumulated amortization. Intangible assets are amortized on a straight-line basis over their useful lives. The Company reviews the estimated useful lives, residual values and amortization methods at each year-end, at least, and defers the effect of changes in applicable accounting estimates.

2. Derecognition

When intangible assets are derecognized, the difference between the net disposal price and the carrying amount of the assets is recognized in the current profit or loss.

(XI) Impairment of Property, Plant and equipment, Right-of-use Assets and Intangible Assets

The consolidated company assesses on each balance sheet date whether there is any indication that property, plant and equipment, right-of-use assets and intangible assets may have been impaired. If any indication of impairment exists, the recoverable amount of the asset is estimated. If the recoverable amount of an individual asset cannot be estimated, the consolidated company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Shared assets are allocated to the smallest group of cash generating units on a reasonable and consistent basis.

The recoverable amount is the higher of the fair value less costs to sell and the value in use. If the recoverable amount of an asset or cash-generating unit is less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, and the impairment loss is 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 recoverable amount, provided that the increased carrying amount does not exceed the carrying amount (net of amortization or depreciation) that would have been determined if the impairment loss had not been recognized in prior years for that asset or cash-generating unit. Reversal of impairment loss is recognized in profit or loss.

(XII) Financial instrument

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

When financial assets and financial liabilities are not initially recognized at fair value through profit or loss, they are measured at fair value plus transaction costs directly attributable to the acquisition or issuance of the financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial assets

Regular transactions of financial assets are recognized and derecognized using trade date accounting.

(1) Measurement type

The types of financial assets held by the consolidated company are financial assets at fair value through profit or loss, financial assets at amortized cost, and investments in equity instruments at fair value through other comprehensive income.

A. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets at fair value through profit or loss, mandatorily measured at fair value and financial assets designated at fair value through profit or loss. Financial assets at fair value through profit or loss, mandatorily measured at fair value, include investments in equity instruments not designated at fair value through other comprehensive income.

Financial assets carried at fair value through profit or loss are measured at fair value. Dividends and interest arising from their remeasurement are recognized in other income and interest income, respectively, and gains or losses arising from their remeasurement are recognized in other gains or losses. Please refer to Note 29 for the determination of fair value.

B. Financial assets measured at amortized cost

The consolidated company's investment in financial assets are classified as financial assets at amortized cost if both of the following two conditions are met.

a. They are held under an operating model in which financial assets are held for the purpose of receiving contractual cash flows; and
b. The terms of the contract generate cash flows on specific dates that are solely for the payment of principal and interest on the outstanding principal amount.

Financial assets carried at amortized cost (including cash and cash equivalents, accounts receivable and other receivables at amortized cost and guarantee deposits paid) are measured at amortized cost using the effective interest method to determine the total carrying amount less any impairment loss after initial recognition, with any foreign currency exchange gain or loss recognized in profit or loss.

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

a. Interest income on credit-impaired financial assets acquired or created is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial assets.
b. For financial assets with no credit impairment at acquisition or at time of impairment but later have credit impairment, interest income shall be computed by multiplying the effective interest rate

by the amortized cost of the financial assets from the next reporting period of the impairment.

Credit-impaired financial assets are those in which the issuer or the debtor has experienced significant financial difficulties, defaulted, or it is probable that the debtor will declare bankruptcy or go through other financial reorganization, or an active market for the financial assets has disappeared due to financial difficulties.

Cash equivalents include time deposits that are highly liquid and readily convertible into fixed deposits with minimal risk of changes in value within 3 months from the date of acquisition, and are used to meet short-term cash commitments.

C. Investment in equity instruments measured at fair value through other comprehensive income

At initial recognition, the consolidated company has an irrevocable option to designate investments in equity instruments that are not held for trading and for which contingent consideration is recognized by the acquirer of the non-business combination to be measured at fair value through other comprehensive income.

Investments in equity instruments measured at fair value through other comprehensive income are measured at fair value, with subsequent changes in fair value reported in other comprehensive income and accumulated in other equity. Upon disposal of an investment, the accumulated gains and losses are transferred directly to retained earnings and are not reclassified to profit or loss.

Dividends from investments in equity instruments measured at fair value through other comprehensive income are recognized in profit or loss when the rights of the consolidated company to receive payments are established, unless the dividends clearly represent a partial recovery of the cost of the investment. Please refer to Note 29 for the determination of fair value.

(2) Impairment of financial assets and contractual assets

The consolidated company evaluates impairment losses of financial assets (including accounts receivable) and contractual assets measured at amortized cost based on expected credit losses on each balance sheet date.

Accounts receivable and contractual assets are recognized as an allowance for loss based on the expected credit loss in the period of existence. Other financial assets are first evaluated to determine whether there is a significant increase in credit risk since initial recognition. If there is no significant increase, an allowance for loss is recognized based on the expected credit loss over 12 months; if there is a significant increase, an allowance for loss is recognized based on the expected credit loss in the period of existence.

Expected credit loss is a weighted average credit loss weighted by the risk of default. The 12-month expected credit loss represents the expected credit loss arising from possible defaults within 12 months after the reporting date of the financial instrument, and the expected credit loss in the period of existence represents the expected credit loss arising from all possible defaults in the period of existence of the financial instrument.

For internal credit risk management purposes, the consolidated company determines, without regard to the collateral held, that a default on a financial asset has occurred in the following circumstances.

A. There is internal or external information indicating that the debtor is unlikely to be able to pay off its debts.

B. More than 90 days past due, unless there is reasonable and supporting information indicating that the delayed default basis is more appropriate.

All impairment losses of financial assets are reversed by reducing the carrying amount through an allowance account.

(3) Derecognition of Financial Assets

The consolidated company derecognizes financial assets only when the contractual rights to the cash flows from the financial assets lapse or when the financial assets have been transferred and substantially all the risks and returns of ownership of the assets have been transferred to other enterprises.

The difference between the carrying amount of the financial asset and the consideration received is recognized in profit or loss when the financial asset is derecognized as a whole at amortized cost. When investment in equity instruments measured at fair value through other comprehensive income is derecognized as a whole, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

2. Equity instrument

Debt and equity instruments issued by the consolidated company are classified as financial liabilities or equity based on the substance of the contractual agreements and the definitions of financial liabilities and equity instruments.

Equity instruments issued by the consolidated company are recognized at the acquisition price less direct issue costs.

The resumption of the consolidated company's own equity instruments is recognized and deducted under equity. The purchase, sale, issuance or cancellation of the Company's own equity instruments is not recognized in profit or loss.

3. Financial liabilities

(1) Subsequent measurement

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

(2) Derecognition of financial liabilities

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

4. Convertible corporate bonds

The compound financial instruments (convertible bonds) issued by the consolidated company are classified as financial liabilities and equity in accordance with the substance of the contractual agreements and the definitions of financial liabilities and equity instruments, respectively, at the time of initial recognition.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument and is measured at amortized cost using the effective interest method until the date of conversion or maturity. The components of assets that are embedded in non-equity derivatives are measured at fair value.

The conversion right classified as equity is equal to the remaining amount of the fair value of the compound instrument as a whole less the fair value of the separately determined liability component, which is recognized in equity net of the income tax effect and is not subsequently measured. When the conversion right is exercised, the related liability component and the amount of equity will be transferred to equity and capital surplus minus the issue premium. If the conversion right of convertible bonds are not exercised on the maturity date, the amount recognized in equity will be transferred to capital surplus minus the issue premium.

Transaction costs related to the issuance of convertible bonds are allocated to the liability (included in the carrying amount of the liability), the equity component (included in equity) and the derivative financial asset component (included in profit or loss) of the instrument in proportion to the total apportioned price.

(XIII) Provisions

The amount recognized as provision for liabilities is the best estimate of the expense required to settle the obligation on the balance sheet date, taking into account the risk and uncertainty of the obligation.

(XIV) Revenue recognition

The consolidated company allocates the transaction price to each performance obligation after the performance obligation is identified in the customer contract, and recognizes revenue when each performance obligation is satisfied.

1. Revenue from merchandise sales

Revenue from merchandise sales is mainly derived from the sales of display cards. The consolidated company recognizes revenue and accounts receivable at the time of delivery of display cards to the customer's designated location/shipment, when the customer has the right to set the price and use the products and has the primary responsibility for re-selling the products and bears the risk of obsolescence.

For outgoing material for processing, the ownership of the processed product is not transferred, so no revenue is recognized when the materials are delivered.

2. Project revenue

During the process of project investment, the property is subject to construction contracts controlled by the customer, and the consolidated company gradually recognizes the revenue over time. As there is a direct correlation between the cost invested in the project and the degree of completion of the agreed obligations, the consolidated company measures the completion progress based on the proportion of actual investment costs to the expected total costs. The consolidated company gradually recognizes contract assets during the project investment process, and converts them into accounts receivable when issuing the invoice If the project payment received exceeds the amount recognized as revenue, the difference is recognized as a contractual liability. The project retention money withheld by the customer according to the contract terms is to ensure that the consolidated company completes all contractual obligations, which are recognized as contract property until the consolidated company fulfills the agreed obligations.

If there is no reliable measurement method for the results of fulfilling the agreed obligations, the project income is recognized only within the expected recoverable range of the cost incurred for fulfilling the agreed obligations.

(XV) Leases

The consolidated company assesses whether a contract is (or contains) a lease at the contract inception date.

1. The consolidated company as the lessor

When the lease term transfers almost all the risks and rewards attached to property ownership to the lessee, it is classified as a financing lease. All other leases are classified as operating leases.

Under operating leases, the lease payment after the reduction of lease incentives is recognized as income on a straight-line basis during the relevant lease term. Therefore, the original direct cost incurred in obtaining an operating lease is added to the carrying amount of the underlying asset and recognized as an expense on a straight-line basis during the lease term.

2. The consolidated company as the lessee

Right-of-use assets and lease liabilities are recognized at the lease commencement date for all leases, except for leases of low-value underlying assets to which the recognition exemption applies and short-term leases, where lease payments are recognized as expenses on a straight-line basis over the lease term.

The right-of-use asset is measured initially at cost (consisting of the original measurement amount of the lease liability, lease payments made prior to the commencement date of the lease less lease incentives received, original direct cost and estimated cost of restoration of the subject asset) and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, and the remeasurement of the lease liability is adjusted. Right-of-use assets are presented separately in the consolidated balance sheet.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life and the end of the lease term

Lease liabilities are measured initially at the present value of lease payments (primarily fixed payments). Lease payments are discounted using the interest rate implied by the lease if it is readily identifiable. If the rate is not readily identifiable, the lessee's incremental borrowing rate is used.

Subsequently, the lease liabilities are measured at amortized cost basis using the effective interest method, and interest expense is allocated over the lease term. If there is a change in future lease payments due to changes in the lease period, the consolidated company remeasures the lease liability and adjusts the right-of-use asset accordingly. However, if the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasurement amount is recognized in profit or loss. Lease liabilities are presented separately in the consolidated balance sheet.

(XVI) Employee welfare

1. Short-term employee benefits

Short-term employee benefit-related liabilities are measured at the non-discounted amount expected to be paid in exchange for employee services.

2. Post-employment benefits

The defined contribution pension plan is an expense that recognizes the amount of pension benefits to be contributed during the employees' service period.

The defined benefit cost (including service cost, net interest and remeasurement) of the defined benefit pension plan is actuarially determined using the projected unit benefit method. Service cost (including current service cost) and net interest on net defined benefit assets are recognized as employee benefit expense as incurred. Remeasurements (including actuarial gains and losses and return on plan assets, net of interest) are recognized in other comprehensive income as incurred and included in retained earnings, and are not reclassified to profit or loss in subsequent periods.

The net defined benefit assets represent the remainder after allocation of the defined benefit pension plan. The net confirmed benefit assets shall not exceed the present value of the refunded allocation from the plan or the possible reduction of future allocation.

(XVII) Income tax

Income tax expense is the sum of current income tax and deferred income tax.

1. Current income tax

The consolidated company determines the current income (loss) in accordance with the regulations of each income tax filing jurisdiction, and calculates the income tax payable (recoverable) accordingly.

Income tax on undistributed earnings calculated in accordance with the ROC Income Tax Act is recognized in the year of the resolution of the shareholders' meeting.

Adjustments to prior years' income tax payable are included in the current income tax.

2. Deferred income tax

Deferred income tax is computed on the temporary differences between the carrying amounts of assets and liabilities and the tax basis of taxable income.

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

The carrying amount of deferred income tax assets is reviewed on each balance sheet date, and reduced to the extent that it is no longer probable that sufficient tax assets will be available to allow recovery of all or part of the asset. Deferred income tax assets that have not been recognized are reviewed on each balance sheet date, and the carrying amount is increased to the extent that it is probable that future taxable income will be available to recover all or part of the asset.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled or the asset is realized, which are based on tax rates and tax laws that have been legislated or substantively legislated on the balance sheet date. The measurement of deferred income tax liabilities and assets reflects the tax consequences of the manner in which the consolidated company expects to recover or settle the carrying amounts of its assets and liabilities at the balance sheet date.

3. Current and deferred income tax

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

V. Significant Accounting Assumptions and Judgments, and Major Sources of Estimation Uncertainty

In adopting accounting policies, the consolidated company's management is required to make judgments, estimates and assumptions that are based on historical experience and other relevant factors when relevant information is not readily available from other sources. Actual results may differ from estimates.

The management will review estimates and underlying assumptions on an ongoing basis. If a revision of an estimate affects only the current period, it is recognized in the period in which it is revised. If a revision of an accounting estimate affects both the current and future periods, it is recognized in the period in which it is revised and in the future period.

VI. Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and petty cash	$ 457	$ 420
Bank notes and demand deposit	489,643	592,371
Cash equivalents		
Time deposits with an original maturity within 3 months	65,570	9,800
	$ 555,970	$ 602,591

The market interest rate range for bank deposits on the balance sheet date is as follows:

	December 31, 2024	December 31, 2023
Bank deposits	0.00%-1.00%	0.00%-1.45%
Cash equivalents	3.60%	1.16%

VII. Financial instruments at fair value through profit or loss

	December 31, 2024	December 31, 2023
Current financial assets		
Financial assets at fair value through profit or loss, mandatorily measured at fair value		
Derivatives (not specified for risk hedging)		
- redemption right for convertible bonds (note 19)	$ 120	$ -
Non-derivative financial assets		
- domestic TWSE (TPEx) listed stocks	-	846
- beneficiary certificates of mutual funds	5,037	5,836
	$ 5,157	$ 6,682

VIII. Financial assets at fair value through other comprehensive income

Equity instruments

	December 31, 2024	December 31, 2023
Non-current		
Domestic investment		
TWSE (TPEx) listed and emerging market stocks	$ 6,045	$ 7,378
TWSE (TPEx) unlisted stocks	24,412	18,432
	$ 30,457	$ 25,810

The consolidated company invests in the ordinary shares of domestic companies for medium to long-term strategic purposes, and expects to make profits through long-term investments. In the opinion of the management of the consolidated company, if the short-term fair value fluctuation of such investment is included in the income, it is not consistent with the aforesaid long-term investment plan, so they chose to designate such investment as measured at fair value through other comprehensive income.

IX. Financial assets measured at amortized cost

	December 31, 2024	December 31, 2023
Current		
Pledged bank deposits	$ 6,124	$ 5,447

Please refer to Note 31 for information on financial assets measured at amortized cost pledged.

X. Notes receivable and accounts receivable

	December 31, 2024	December 31, 2023
Notes receivable		
Measured at amortized cost		
Total carrying amount	$ 351	$ 700
Less: loss allowance	-	-
	$ 351	$ 700
Accounts receivable		
Measured at amortized cost		
Total carrying amount	$ 1,038,242	$ 908,876
Less: loss allowance	(5,141)	(7,868)
	$ 1,033,101	$ 901,008

Accounts receivable measured at amortized cost

The average credit period of the consolidated company for commodity sales is 60 days, and accounts receivable are not subject to interest. The policy adopted by the consolidated company is to use other publicly available financial information and historical transaction records to rate major customers and, if necessary, purchase sufficient insurance to mitigate the risk of financial losses caused by default.

In order to reduce credit risk, the management of the consolidated company has assigned a special team to be responsible for the decision of credit facilities, credit approval and other monitoring procedures to ensure that appropriate actions have been taken for the recovery of overdue receivables. In addition, the consolidated company will review the recoverable amounts of the receivables one by one on the balance sheet date to ensure that appropriate impairment loss has been provided for the receivables that cannot be recovered. Therefore, the management of the consolidated company thinks that the credit risk of the consolidated company has been significantly reduced.

The consolidated company shall recognize the loss allowance of accounts receivable according to the expected credit loss during the period of existence. The expected credit loss during the existence is calculated by a preparation matrix, which considers the past default records of customers, their current financial situation and the industrial economic situation. As the historical experience of credit loss of the consolidated company shows that there is no significant difference in the loss pattern of different customer groups, the preparation matrix does not further distinguish customer groups, and only uses the overdue days of accounts receivable to determine the expected credit loss rate.

If there is evidence that the counterparty is facing serious financial difficulties and the consolidated company cannot reasonably expect the recoverable amount, for example, if the transaction counterparty is in liquidation, the consolidated company will directly write off the relevant receivables, but will continue recourse actions, and the amount recovered due to recourse will be recognized as income.

The consolidated company measures the loss allowance of notes and accounts receivable according to the preparation matrix as follows:

December 31, 2024

	Not overdue	1~90 days overdue	More than 90 days overdue	Total
Expected credit loss rate	0.00%~0.44%	0.00%~8.83%	0.56%~100%	
Total carrying amount	$ 791,906	$ 226,319	$ 20,368	$ 1,038,593
Loss allowance	(375)	(187)	(4,579)	(5,141)
Cost after amortization	$ 791,531	$ 226,132	$ 15,789	$ 1,033,452

December 31, 2023

	Not overdue	1~90 days overdue	More than 90 days overdue	Total
Expected credit loss rate	0.00%~0.20%	0.00%~1.31%	1.27%~100%	
Total carrying amount	$ 690,837	$ 210,803	$ 7,936	$ 909,576
Loss allowance	(535)	(1,687)	(5,646)	(7,868)
Cost after amortization	$ 690,302	$ 209,116	$ 2,290	$ 901,708

Information on changes in loss allowance of accounts receivable is as follows:

	December 31, 2024	December 31, 2023
Beginning balance	$ 7,868	$ 7,855
Impairment loss recognized (reversed) in the current year	(2,551)	25
Foreign currency translation difference	(176)	(12)
Ending balance	$ 5,141	$ 7,868

XI. Inventories

	December 31, 2024	December 31, 2023
Finished good	$ 435,409	$ 671,179
Work in process	98,141	167,368
Raw materials	509,608	639,883
Inventory in transit	-	58,543
	$ 1,043,158	$ 1,536,973

The nature of operating cost is as follows:

	2024	2023
Cost of inventories sold	$ 4,465,552	$ 5,121,102
Project cost	1,404	32,525
Inventory valuation and retirement losses	41,831	84,235
	$ 4,508,787	$ 5,237,862

XII. Subsidiary

(I) Subsidiaries included in the consolidated financial statements

The subjects of the consolidated financial statements are as follows:

Name of Investment company	Name of Subsidiary	Nature of Business	Percentage of equity held: December 31, 2024	Percentage of equity held: December 31, 2023
The Company	TUL Corporation (HK) Limited (note 1)	Product or business promotion and consulting services.	-	-
The Company	TUL Inc.	Sales of information software and hardware products.	100	100
The Company	IOTU CORPORATION (note 2)	Contracting of information and communication projects.	93.08	93.08
The Company	TUL B.V.	Sales of information software and hardware products.	100	100
The Company	Technology Created Medicine Corporation	Health food sales, medical machine OEM, computer peripheral equipment agency management and sales.	100	100
The Company	Sparkle Computer Co., Ltd. (note 3)	Sales of information software and hardware products.	100	100
The Company	TUL Pte. LTD. (note 4)	General investment business	100	-
Sparkle Computer Co., Ltd.	SPARKLE EUROPE B.V. (note 5)	Sales of information software and hardware products.	100	-

Note 1: The consolidated company passed a board resolution on November 4, 2021 to liquidate its subsidiary TUL Corporation (HK) Limited, and completed its deregistration on January 6, 2023.

Note 2: On March 10, 2023, the consolidated Company acquired its 100 thousand shares in IOTU CORPORATION, resulting in an increase of shareholding from 92.31% to 93.08%.

Note 3: On May 4, 2023, the Board of Directors of the consolidated company resolved to divest the design and manufacturing services and embedded application business unit to Sparkle Computer Co., Ltd., a wholly-owned subsidiary of the consolidated company. This move aimed to implement specialized division of labor within the group. In exchange for the divestiture, Sparkle Computer Co., Ltd. issued 11,000 new ordinary shares to the consolidated company, with a par value of NT$10 per share. The division's base date was set for June 30, 2023, with the assets and liabilities related to the business operations as of the division base date listed as follows:

	Segmentation department
Current Assets	
Cash and cash equivalents	$ 122,978
Accounts receivable, net	24,503
Other accounts receivable	13,493
Inventories	$ 20,327
Prepayments	266
Non-current assets	
Property, Plants, and Equipment	6,265
Intangible assets	78
Deferred income tax assets	274
Current Liabilities	
Contract liabilities	(41,067)
Accounts payable	(10,561)
Other payables	(12,704)
Other current liabilities	(11,315)
Non-current Liabilities	
Provisions - non-current	(2,537)
Business value of the segment to be divided	$ 110,000

Note 4: The consolidated company passed a board resolution on December 21, 2023, to establish a wholly owned subsidiary, TUL Pte. LTD., in Singapore

with an investment of SGD 20,000. The establishment of the subsidiary was completed on January 25, 2024.

Note 5: The consolidated company passed a board resolution on June 21, 2024, to acquire a wholly owned subsidiary, SPARKLE EUROPE B.V., in the Netherlands with an investment of EUR 1,200. The registration was completed on October 28, 2024.

(II) Subsidiaries not included in the consolidated financial statements: None.

XIII. Investment accounted for using the equity method

	December 31, 2024	December 31, 2023
Individual insignificant affiliated enterprises		
Investment in affiliated enterprises	$ 6,440	$ 702

Summary of individual insignificant affiliated enterprises

	2024	2023
Share of the consolidated company		
Net loss for the year	$ 3,980	$ 1,447

On August 3, 2022, the consolidated Company invested NT$12,000 thousand in cash for 302 thousand shares of UWIN RESOURCE REGENERATION INC. to acquire 10% of the equity, which was measured at fair value through other comprehensive income; on September 26, 2023, has a significant influence on the company due to the acquisition of two of the five seats on the board of directors of the company. Therefore, the financial assets measured at fair value through other comprehensive income on the date of acquisition of the significant influence are classified as an associate of the consolidated company.

On June 25, 2024, the consolidated company acquired 300 thousand shares of UWIN RESOURCE REGENERATION INC. with a cash investment of NT$30,000 thousand. The shareholding ratio was 16.64% as of December 31, 2024.

The consolidated company invested in Hechuang Intelligence Co., Ltd., holding 46.67% of its equity, which was accounted for using the equity method in 2023. The entire shareholding was disposed of in May 2024.

XIV. Property, Plants, and Equipment

	Land	Buildings and structures	Transportation equipment	Money-generating apparatus	Other equipment	Unfinished project and equipment pending acceptance	Total
Cost							
Balance on January 1, 2023	$ 316,298	$ 401,263	$ 9,880	$ 129,713	$ 416	$ 182,564	$ 1,040,134
Addition	-	14,990	6,064	19,430	1,071	3,354	44,909
Disposal	-	-	(3,961)	(13,917)	-	-	(17,878)
Net exchange differences	(2)	(1)	(39)	-	-	-	(42)
Reclassification	-	131,155	-	37,568	3,070	(173,117)	(1,324)
Balance on December 31, 2023	$ 316,296	$ 547,407	$ 11,944	$ 172,794	$ 4,557	$ 12,801	$ 1,065,799
Accumulated depreciation							
Balance on January 1, 2023	$ -	$ 34,101	$ 5,781	$ 60,445	$ 132	$ -	$ 100,459
Depreciation expense	-	14,507	1,358	24,196	792	-	40,853
Disposal	-	-	(3,961)	(9,979)	-	-	(13,940)
Net exchange differences	-	(8)	57	(8)	-	-	41
Reclassification	-	-	-	(551)	-	-	(551)
Balance on December 31, 2023	$ -	$ 48,600	$ 3,235	$ 74,103	$ 924	$ -	$ 126,862
Net on December 31, 2023	$ 316,296	$ 498,807	$ 8,709	$ 98,691	$ 3,633	$ 12,801	$ 938,937
Cost							
Balance on January 1, 2024	$ 316,296	$ 547,407	$ 11,944	$ 172,794	$ 4,557	$ 12,801	$ 1,065,799
Addition	-	253	-	22,234	1,318	2,603	26,408
Disposal	-	-	-	(557)	-	-	(557)
Net exchange differences	754	533	496	177	7	-	1,967
Reclassification	-	6,885	-	4,666	124	(11,675)	-
Balance on December 31, 2024	$ 317,050	$ 555,078	$ 12,440	$ 199,314	$ 6,006	$ 3,729	$ 1,093,617
Accumulated depreciation							
Balance on January 1, 2024	$ -	$ 48,600	$ 3,235	$ 74,103	$ 924	$ -	$ 126,862
Depreciation expense	-	22,363	2,032	26,017	1,259	-	51,671
Disposal	-	-	-	(557)	-	-	(557)
Net exchange differences	-	246	155	112	7	-	520
Reclassification	-	-	-	-	-	-	-
Balance on December 31, 2024	$ -	$ 71,209	$ 5,422	$ 99,675	$ 2,190	$ -	$ 178,496
Net on December 31, 2024	$ 317,050	$ 483,869	$ 7,108	$ 99,639	$ 3,816	$ 3,729	$ 915,121

Depreciation expenses are calculated on a straight-line basis based on the following years of service:

Buildings and structures	5 to 50 years
Transportation equipment	4 to 5 years
Money-generating apparatus	2 to 6 years
Other equipment	3 to 5 years

Please refer to Note 31 for the amount of property and plant pledged as collateral for borrowings.

XV. Lease agreement

(I) Right-of-use assets

	December 31, 2024	December 31, 2023
Carrying amount of right-of-use assets		
Buildings	$ 4,683	$ 3,635

	2024	2023
Addition of right-of-use assets	$ 4,947	$ 159
Depreciation expenses of right-of-use assets		
Buildings	$ 3,493	$ 2,095

(II) Lease liabilities

	December 31, 2024	December 31, 2023
Carrying amount of lease liabilities		
Current	$ 2,862	$ 2,181
Non-current	$ 1,906	$ 1,469

The range of discount rate of lease liabilities is as follows:

	December 31, 2024	December 31, 2023
Buildings	1.03%~6.00%	1.03%~6.00%

(III) Other lease information

	2024	2023
Short term lease expenses	$ 4,812	$ 9,203
Lease expenses of low value assets	$ 48	$ 43
Total cash outflow for leases	($ 8,760)	($ 11,538)

The consolidated company chooses to exempt the recognition of certain equipment leases meeting the low value asset lease requirement, and does not recognize the relevant right-of-use assets and lease liabilities.

XVI. Investment property

	December 31, 2024	December 31, 2023
Cost		
Land	$ 24,970	$ 24,970
Buildings and structures	16,728	16,728
	41,698	41,698
Less: accumulated depreciation	(8,697)	(8,375)
	$ 33,001	$ 33,323

Investment property is depreciated on a straight-line basis over a useful life of 8 to 35 years.

The fair value of investment property has not been evaluated by independent evaluators, and is only measured by the management of the consolidated company using commonly used evaluation models by market participants with the input of level 3 value. This evaluation is based on market evidence such as property transaction prices, and the fair value obtained from the evaluation is as follows:

	December 31, 2024	December 31, 2023
Fair value	$ 61,180	$ 64,783

The total amount of lease payments that will be charged in the future for the rental of investment property under operating leases is as follows:

	December 31, 2024	December 31, 2023
Year 1	$ 1,919	$ 1,919
Year 2	-	1,919
	$ 1,919	$ 3,838

All investment properties of the consolidated company are its own equity. Please refer to Note 31 for the amount of investment property pledged for loans.

XVII. Intangible assets

	Patent rights	Trademark rights	Others	Total
Balance on January 1, 2023	$ 79	$ 105	$ 3,984	$ 4,168
Individual acquisition	-	-	5,900	5,900
Amortization expense	(31)	(37)	(3,150)	(3,218)
Balance on December 31, 2023	$ 48	$ 68	$ 6,734	$ 6,850
Balance on January 1, 2024	$ 48	$ 68	$ 6,734	$ 6,850
Individual acquisition	-	-	4,944	4,944
Amortization expense	(27)	(27)	(4,063)	(4,117)
Balance on December 31, 2024	$ 21	$ 41	$ 7,615	$ 7,677

Amortization expenses are calculated on a straight-line basis based on the following years of service:

Patent rights	10 to 20 years
Trademark rights	4 to 10 years
Others	1 to 5 years

Summary of amortization expenses by function:

	2024	2023
Operating costs	$ 57	$ 26
Selling expenses	232	77
Administrative expenses	3,438	2,513
R&D expenses	390	602
	$ 4,117	$ 3,218

XVIII. Borrowings

Short-term borrowings

	December 31, 2024	December 31, 2023
Secured loans (notes 30 and 31)		
Bank loans	$ 652,466	$ 832,569
Unsecured loans (note 30)		
Loans from related parties	$ -	$ 10,000

(I) The interest rates for bank revolving loans were 1.93% to 5.60% and 1.85% to 6.81% on December 31, 2024 and 2023, respectively.

(II) The related party loans are borrowed by the consolidated Company from the substantive related parties. The interest expense from January 1 to December 31, 2023 is calculated by multiplying the balance of outstanding loans by the annual interest rate of 1.47% to 1.595%.

XIX. Corporate bonds payable

	December 31, 2024	December 31, 2023
(I) 5th domestic unsecured convertible corporate bonds	$ -	$ 220,905
(II) 6th domestic unsecured convertible corporate bonds	381,219	-
	381,219	220,905
Less: portion due within 1 year	-	(220,905)
	$ 381,219	$ -

(I) 5th domestic unsecured convertible corporate bonds

The Company issued its fifth domestic unsecured convertible corporate bond with a coupon rate of 0% on August 4, 2021, with a par value of NT$100,000 each, issued at full par value. The total number of bonds issued is 7,000, with a total issuance amount of NT$700 million and a term of three years.

Each holder of the corporate bond has the right to convert it at NT$138.3 per share into ordinary shares of the Company. If there is an anti-dilution clause on conversion price in the future, the price will be adjusted in accordance with the conversion measures. As of June 30, 2024, the conversion price of the Company's bonds has been adjusted to NT$118.4 per share in accordance with the Regulations on Conversion, and the conversion period is from November 5, 2021 to August 4, 2024. If the corporate bonds have not been converted at the date of maturity, they will be repaid in cash at the par value of the bonds upon maturity. Other important terms include:

The Company's redemption right

From the second day of three months after the issuance of the convertible corporate bonds (November 5, 2021) until 40 days before the expiration of the term (June 25, 2024), if the closing price of the Company's ordinary shares exceeds the conversion price by 30% (inclusive) for 30 consecutive business days, or the balance of the convertible company bonds outstanding is less than 10% of the original total issuance amount, the Company may redeem its outstanding convertible corporate bonds in cash at the par value in accordance with the measures.

This convertible corporate bond includes both debt and equity components, and the equity component is expressed in capital surplus-option under equity. The effective interest rate of the original recognition of the liability component is 1.3045%.

Issuing price (minus transaction costs of NT$5,000 thousand)	$ 725,023
Equity component (minus transaction cost of NT$185 thousand allocated to equity and related income tax impact of NT$37 thousand)	(56,055)
Deferred income tax assets	37
Derivative instruments for redemption and put rights (current financial assets at fair value through profit or loss) and transaction costs recognized in profit or loss	4,300
Liability component on the issuance date (minus NT$4,785 thousand transaction cost allocated to liabilities)	673,305
Interest calculated at an effective interest rate of 1.3045%	8,752
Conversion of corporate bonds into ordinary shares	(461,152)
Liability component on December 31, 2023	220,905
Interest calculated at an effective interest rate of 1.3045%	1,674
Repayment of corporate bonds	(222,579)
Liability component on December 31, 2024	$ -

(II) 6th domestic unsecured convertible corporate bonds

The Company issued its sixth domestic unsecured convertible corporate bond with a coupon rate of 0% on March 7, 2024, with a par value of NT$100,000 each, issued at full par value. The total number of bonds issued is 4,000, with a total issuance amount of NT$400 million and a term of three years.

Each holder of the corporate bond has the right to convert it at NT$90.2 per share into ordinary shares of the Company. If there is an anti-dilution clause on conversion price in the future, the price will be adjusted in accordance with the conversion measures. Other important terms include:

The Company’s redemption right

From the second day of three months after the issuance of the convertible corporate bonds (June 8, 2024) until 40 days before the expiration of the term (January 26, 2027), if the closing price of the Company's ordinary shares exceeds the conversion price by 30% (inclusive) for 30 consecutive business days, or the balance of the convertible company bonds outstanding is less than 10% of the original total issuance amount, the Company may redeem its outstanding convertible corporate bonds in cash at the par value in accordance with the measures.

This convertible corporate bond includes both debt and equity components, and the equity component is expressed in capital surplus-option under equity. The effective interest rate of the original recognition of the liability component is 2.2293%.

Issuing price (minus transaction costs of NT$5,000 thousand)	$ 421,954
Equity component (minus transaction cost of NT$269 thousand allocated to equity and related income tax impact of NT$54 thousand)	(48,339)
Deferred income tax assets	54
Derivative instruments of redemption rights (current financial assets at fair value through profit or loss) and transaction costs recognized in profit or loss	729
Liability component on the issuance date (minus NT$4,722 thousand transaction cost allocated to liabilities)	374,398
Interest calculated at an effective interest rate of 2.2293%	6,821
Liability component on December 31, 2024	$ 381,219

XX. Other liabilities

	December 31, 2024	December 31, 2023
Current		
Other payables		
Processing fee payable	$ 21,826	$ 30,223
Salary and bonus payable	38,655	31,877
Employees' remuneration payable	36,984	59,870
Leave pay payable	1,079	547
Accounts payable, equipment	374	16,052
Others	80,350	109,518
	$ 179,268	$ 248,087

XXI. Post-employment benefit plan

(I) Defined contribution plans

The pension system of the "Labor Pension Regulations" applicable to the Company and the Taiwanese subsidiary is a government-administered fixed appropriation retirement plan, with 6% of the employee's monthly salary allocated to the individual account of the Labor Insurance Bureau.

(II) Defined benefit plans

The pension system of the Company in compliance with the country's "Labor Standards Act" is a government-administered defined-benefit retirement plan. The employee's pension is calculated based on the length of service and the average salary for the six months before the approved retirement date. The Company allocates 2% of the total monthly salary of the employees to the pension, and hands it over to the Labor Retirement Reserve Supervision Committee to deposit it into the special account of the Bank of Taiwan in the name of the committee. Before the end of the year, if it is estimated that the balance of the special account is not sufficient to pay the workers who are expected to meet the retirement conditions in the next year, the difference will be provided in a lump sum by the end of March of the next year. The special account is entrusted to the Bureau of Labor Fund of the Ministry of Labor for management, and the Company has no right to influence the investment management strategy.

The amounts of defined benefit plans included in the consolidated balance sheet are shown below:

	December 31, 2024	December 31, 2023
Current value of defined benefit obligation	$ 1,367	$ 1,139
Fair value of planned assets	(14,215)	(12,893)
Net defined benefit asset	($ 12,848)	($ 11,754)

Changes to net defined benefit assets are as follows:

	Current value of defined benefit obligation	Fair value of planned assets	Net defined benefit asset
Balance on January 1, 2023	$ 815	($ 12,628)	($ 11,813)
Service cost			
Service cost of the period	101		101
Interest expense (income)	10	(156)	(146)
Recognized in profit or loss	111	(156)	(45)
Remeasurement			
Return on planned assets (in addition to the amount included in net interest)		(109)	(109)
Actuarial loss - experience adjustment	213		213
Recognized as other comprehensive income	213	(109)	104
Balance on December 31, 2023	$ 1,139	($ 12,893)	($ 11,754)
Balance on January 1, 2024	$ 1,139	($ 12,893)	($ 11,754)
Service cost			
Service cost of the period	180	-	180
Interest expense (income)	14	(161)	(147)
Recognized in profit or loss	194	(161)	33
Remeasurement			
Return on planned assets (in addition to the amount included in net interest)	-	(1,148)	(1,148)
Actuarial loss - experience adjustment	131	-	131
Actuarial loss (gain)	(97)	-	(97)
Recognized as other comprehensive income	34	(1,148)	(1,114)
Employer contribution	-	(13)	(13)
Balance on December 31, 2024	$ 1,367	($ 14,215)	($ 12,848)

The Company is exposed to the following risks as a result of the Labor Standards Act pension system:

1. Investment risk: The Bureau of Labor Fund of the Ministry of Labor invests labor pension funds in domestic (foreign) equity and debt securities and bank deposits through self-operation and entrusted management, but the consolidated company's distributable amount of the plans' assets is the income calculated at not lower than the 2-year fixed deposit interest rate of the local bank.
2. Interest rate risk: The decrease in interest rates of government/corporate bonds will increase the present value of the defined benefit obligation, but the return on the debt investment of the planned assets will also increase; the impact of the two on the net defined benefit liabilities is partially offset.
3. Salary risk: For the calculation of the present value of defined benefit obligations, reference is made to the future salaries of the members of the plans. Therefore, an increase in plan members' salaries will result in an increase in the present value of the defined benefit obligation.

The present value of the Company's defined benefit obligation was actuarially determined by a qualified actuary, with the following significant assumptions as of the measurement date:

	December 31, 2024	December 31, 2023
Discount rate	1.50%	1.25%
Expected rate of salary increase	2.25%	2.25%

The amount by which the present value of the defined benefit obligation would increase (decrease) as follows if there were reasonably possible changes in significant actuarial assumptions, respectively, with all other assumptions held constant

	December 31, 2024	December 31, 2023
Discount rate		
0.25% increase	($ 89)	($ 74)
0.25% decrease	$ 97	$ 80
Expected rate of salary increase		
0.25% increase	$ 425	$ 349
0.25% decrease	($ 323)	($ 267)

The sensitivity analysis above may not reflect actual changes in the present value of the defined benefit obligation because the actuarial assumptions may be correlated and changes in only one assumption are not probable.

	December 31, 2024	December 31, 2023
Amount expected to be allocated within 1 year	$ -	$ -
Average period of defined benefit obligation to maturity	34.1 years	31.2 years

XXII. Equity

(I) Common share capital

	December 31, 2024	December 31, 2023
Authorized number of shares (1,000 shares)	96,000	96,000
Authorized share capital	$ 960,000	$ 960,000
Number of issued shares fully paid for (1,000 shares)	48,346	48,346
Capital of issued shares	$ 483,460	$ 483,460

The par value of each issued ordinary share is NT$10, and each share has one voting right and the right to receive dividends.

To strengthen operating liquidity and repay bank loans, the Company resolved at the Annual Shareholders' Meeting on June 14, 2023, to undertake a private placement of common stock as a cash capital increase. The intention is to issue up to 5,000 shares, divided into two tranches within one year from the date of the shareholders' meeting resolution. As no suitable strategic investors were found, the Board of Directors resolved on March 14, 2024, to discontinue the private placement offering.

To strengthen operating liquidity and repay bank loans, the Company resolved at the Annual Shareholders' Meeting on June 13, 2024, to undertake a private placement of common stock as a cash capital increase. The intention is to issue up to 5,000 shares, divided into two tranches within one year from the date of the shareholders' meeting resolution.

As no suitable strategic investors were found, the Board of Directors resolved on March 13, 2025, to discontinue the private placement offering.

(II) Capital surplus

	December 31, 2024	December 31, 2023
It may be used to compensate losses, distribute cash or replenish share capital (1)		
Overdue dividends not collected by shareholders	$ 199	$ 196
Premium from convertible bond conversion	782,389	782,389
Treasury stock transaction	8	8
Can only be used to compensate losses.		
Recognized change in ownership of and equity in subsidiaries (2)	5,593	5,593
Expired stock options	17,825	-
Cannot be used for any other purpose.		
Convertible corporate bond options	48,339	17,825
	$ 840,253	$ 791,911

(1) This type of capital surplus may be used to make up for losses, and when the Company has no losses, it may also be used to distribute cash or for capital appropriation; when used for capital appropriation, it is limited to a certain percentage of the paid-in capital every year.

(2) This type of capital surplus is the impact of equity transactions recognized due to changes in the subsidiary when the Company has not actually acquired or disposed of the subsidiary equity.

(III) Retained earnings and dividend policy

According to the provisions of the earnings distribution policy in the Company's articles of association, if there is a surplus in the final annual accounts, taxes shall be paid in accordance with the law, and after making up the cumulative loss, 10% shall be set aside as the legal reserve, and the rest shall be appropriated as or reversed from special reserve according to laws and regulations. If there is a remaining balance, the board shall combine it with the cumulative undistributed surplus and formulate an earnings distribution proposal, and submit it to the shareholders' meeting for a resolution to distribute dividends to shareholders. Please refer to note 24(7) Employees remuneration and directors remuneration for the distribution policy of employees remuneration and directors remuneration stipulated in the articles of association.

In addition, according to the Company's articles of association, the dividend policy of the Company is based on current and future development plans, as well as assessment of the investment environment, capital needs and domestic and international competition, while taking into account shareholder interest. The distribution of dividends to shareholders can be done in cash or stock, with cash dividends not less than 50% of the total dividend.

The legal reserve shall be appropriated until its balance reaches the total paid-in share capital of the Company. The legal reserve may be used to make up losses. When the Company has no losses, the portion of the legal reserve exceeding 25% of the total paid-in capital may be distributed in cash in addition to being appropriated as share capital.

The Company held general shareholders' meetings on June 13, 2024 and on June 14, 2023, respectively, and passed the following resolutions on the profit and loss appropriation for 2023 and 2022:

	2023	2022
Special reserve	$ 5,217	$ 28,156

XXIII. Income

	2024	2023
Contractual revenue from customers		
Revenue from merchandise sales	$ 4,686,892	$ 5,410,358
Construction revenue	9,407	1,733
	$ 4,696,299	$ 5,412,091

Contract balance

	December 31, 2024	December 31, 2023	January 1, 2023
Notes receivable	$ 351	$ 700	$ -
Accounts receivable	$ 1,033,101	$ 901,008	$ 797,783
Contract asset			
Construction revenue	$ 4,463	$ 16,344	$ 31,736
Less: loss allowance	-	-	-
Current contract assets	$ 4,463	$ 16,344	$ 31,736
Contract liabilities			
Merchandise sales	$ 56,992	$ 86,740	$ 23,165
Engineering construction	6,534	3,619	4,213
Current contract liabilities	$ 63,526	$ 90,359	$ 27,378

The consolidated company recognizes the loss allowance of contract assets according to the expected credit loss during the period of existence. Contract assets will be converted into accounts receivable when the bill is issued, and their credit risk characteristics are the same as those of accounts receivable generated by similar contracts. Therefore, the consolidated company believes that the expected credit loss rate of accounts receivable can also be applied to contract assets.

	December 31, 2024	December 31, 2023
Expected credit loss rate	-%	-%
Total carrying amount	$ 4,463	$ 16,344
Loss allowance (expected credit loss during the existence period)	-	-
	$ 4,463	$ 16,344

XXIV. Net loss before tax

Net loss before tax includes the following items:

(I) Interest income

	2024	2023
Bank deposits	$ 4,992	$ 5,232

(II) Other income

	2024	2023
Rent income	$ 1,921	$ 1,884
Compensation income	-	11
Dividend income	188	1,120
Others	7,693	4,791
	$ 9,802	$ 7,806

(III) Other gains and losses

	2024	2023
Net foreign exchange gain	$ 22,465	$ 10,307
Gains on disposals of property, plant and equipment	-	1,390
Financial assets income measured at fair value through profit or loss	(459)	1,695
Disposal of investment losses	(5)	(1,341)
Others	(4,000)	(454)
	$ 18,001	$ 11,597

(IV) Financial costs

	2024	2023
Bank loan interest	$ 36,667	$ 29,028
Corporate bond depreciation and amortization (note 19)	8,495	2,845
Lease liability interest	243	110
Total interest expense of financial liabilities measured at amortized cost	45,405	31,983
Less: amounts included in the cost of eligible assets	(43)	(5,797)
	$ 45,362	$ 26,186

Information on interest capitalization is as follows:

	2024	2023
Amount of capitalized interest	$ 43	$ 5,797
Interest rate of capitalized interest	4.78%	1.30%~4.33%

(V) Depreciation and amortization

	2024	2023
Summary of depreciation expenses by function		
Operating costs	$ 27,757	$ 21,507
Operating expenses	27,407	21,441
Other losses	322	323
	$ 55,486	$ 43,271
Summary of amortization expenses by function		
Operating costs	$ 57	$ 26
Operating expenses	4,060	3,192
	$ 4,117	$ 3,218

(VI) Employee benefit expense

	2024	2023
Post-employment benefits		
Defined contribution plans	$ 8,382	$ 8,072
Defined benefit plan (note 21)	33	-
	8,415	8,072
Other employee benefits	254,139	233,198
Total employee benefits	$ 262,554	$ 241,270
Summary by function		
Operating costs	$ 57,777	$ 59,622
Operating expenses	204,777	181,693
Other income	-	(45)
	$ 262,554	$ 241,270

(VII) Employees remuneration and directors remuneration

In accordance with the articles of association of the Company, the Company shall allocate no less than 3% of the year’s pre-tax profit as employee remuneration and no more than 3% of the year’s pre-tax profit as director remuneration; however, when the Company still has losses to make up, the compensation amount shall be retained first, and then the employees remuneration and directors remuneration shall be allocated according to the aforementioned proportion.

For the years 2024 and 2023, which resulted in a net loss before tax, it is not intended to accrue employee remuneration and director remuneration in accordance with the provisions of the articles of incorporation.

If there is still any change in the amount after the issuance date of the annual consolidated financial statements, it shall be handled according to the change of accounting estimate and adjusted and recorded in the next year.

For information on the employees remuneration and directors remuneration in accordance with the resolutions of the board meeting of the Company, please visit the MOPS of the Taiwan Stock Exchange.

(VIII) Foreign exchange gain or loss

	2024	2023
Total foreign exchange gain	$ 184,854	$ 195,240
Total foreign exchange loss	(162,389)	(184,933)
Net profit	$ 22,465	$ 10,307

XXV. Income tax

(I) Income tax recognized in profit or loss

The main components of income tax expense (profit) are as follows:

	2024	2023
Current income tax		
Generated in the current period	$ 4,302	$ 3,622
Undistributed earnings	$ 34	$ -
Adjustment for income tax of previous years	-	(7,900)
	4,336	(4,278)
Deferred income tax		
Generated in the current period	(20,776)	(23,959)
Adjustment for income tax of previous years	916	-
	(19,860)	(23,959)
Income tax expenses (benefits) recognized in profit or loss	($ 15,524)	($ 28,237)

Adjustment to the applicable tax rate of accounting income and income tax expense (gain) is as follows:

	2024	2023
Net loss before tax	($ 213,828)	($ 168,546)
Income tax expense (benefit) computed based on statutory tax rate applied to net loss before income tax	($ 41,526)	($ 33,672)
Non-deductible gains and expenses for tax purposes	5,429	6,579
Tax-exempt income	(37)	(563)
Loss on disposal of foreign subsidiary	-	36
Unrecognized loss allowance and deductible temporary differences	20,358	8,028
Adjustment for income tax of previous years	916	(7,900)
Undistributed earnings	34	-
Others	(698)	(745)
Income tax expenses (benefits) recognized in profit or loss	($ 15,524)	($ 28,237)

(II) Deferred income tax assets and liabilities

The changes in deferred income tax assets and liabilities are as follows:

2024

	Beginning balance	Recognized in profit or loss	Recognized as other comprehensive income	Others	Ending balance
Deferred income tax assets					
Temporary difference					
Allowance for inventory valuation	$ 23,301	($ 7,529)	$ -	$ -	$ 15,772
Allowance for warrantee liabilities	3,094	355	-	-	3,449
Others	14,754	(11,456)	(475)	54	2,877
	41,149	(18,630)	(475)	54	22,098
Loss allowance	26,540	31,567	-	-	58,107
	$ 67,689	$ 12,937	($ 475)	$ 54	$ 80,205
Deferred tax liabilities					
Temporary difference					
Undistributed earnings of subsidiaries	$ 3,729	$ 2,425	$ -	$ -	$ 6,154
Defined benefit retirement plan	2,136	(7)	-	-	2,129
Others	10,856	(9,341)	-	-	1,515
	$ 16,721	($ 6,923)	$ -	$ -	$ 9,798

2023

	Beginning balance	Recognized in profit or loss	Recognized as other comprehensive income	Ending balance
Deferred income tax assets				
Temporary difference				
Allowance for inventory valuation	$ 14,848	$ 8,453	$ -	$ 23,301
Allowance for warrantee liabilities	6,969	(3,875)	-	3,094
Others	6,506	8,648	(400)	14,754
	28,323	13,226	(400)	41,149
Loss allowance	7,889	18,651	-	26,540
	$ 36,212	$ 31,877	($ 400)	$ 67,689
Deferred tax liabilities				
Temporary difference				
Undistributed earnings of subsidiaries	$ 1,723	$ 2,006	$ -	$ 3,729
Defined benefit retirement plan	2,127	9	-	2,136
Others	4,953	5,903	-	10,856
	$ 8,803	$ 7,918	$ -	$ 16,721

(III) Deductible temporary differences and unused loss carryforwards of deferred income tax assets not recognized in the consolidated balance sheets

	December 31, 2024	December 31, 1112
The Company's loss allowance		
Due in 2034	$ 81,742	$ -
Subsidiaries' loss allowance		
Due in 2029	$ 4,616	$ 4,616
Due in 2030	17,212	17,212
Due in 2031	13,074	13,074
Due in 2032	34,918	34,918
Due in 2033	40,587	42,461
Due in 2034	2,167	-
	$112,574	$112,281

(IV) Loss allowance not used

The loss allowance information as of December 31, 2024 is as follows:

Tul Corp.	Final year of allowance deduction
$ 23,551	2032
113,365	2033
235,362	2034
$372,278	

IOTU CORPORATION	Final year of allowance deduction
$ 4,616	2029
17,212	2030
13,074	2031
34,918	2032
40,587	2033
2,167	2034
$112,574	

(V) Income tax assessment status

The profit seeking business income taxes of the domestic subsidiaries IOTU CORPORATION and Technology Created Medicine Corporation and this company have been approved by tax collection authorities up to 2022.

XXVI. Loss per share

Unit: NT$/share

	2024	2023
Basic loss per share	($ 4.10)	($ 2.84)
Diluted loss per share	($ 4.10)	($ 2.84)

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

Net loss for the year

	2024	2023
Net loss used to calculate basic loss per share	($ 198,005)	($ 137,282)
Impact of potential ordinary shares with dilution effect:		
After-tax interest on convertible bonds	-	-
Net loss used to calculate diluted loss per share	($ 198,005)	($ 137,282)

Number of shares

Unit: 1,000 shares

	2024	2023
Weighted average number of ordinary shares used to calculate basic loss per share	48,346	48,346
Impact of potential ordinary shares with dilution effect:		
Convertible corporate bonds	-	-
Weighted average number of ordinary shares used to calculate diluted loss per share	48,346	48,346

If the consolidated company has the option to pay employees' remuneration in shares or cash, the calculation of diluted earnings per share is based on the assumption that the employees' remuneration will be paid in shares, and the weighted average number of outstanding shares will be included in the calculation of earnings per share when the potential ordinary shares have a dilution effect. When calculating the diluted earnings per share before paying employees' remuneration in shares in the next annual resolution, the dilution effect of such potential ordinary shares shall also be considered. The consolidated company had a net loss in 2024 and 2023, so the potential ordinary shares with an anti-dilution effect including those from convertible corporate bonds and employee remuneration were not included in the calculation.

XXVII. Equity transactions with non-controlling interests

On March 10, 2023, the Company acquired its 100 thousand shares of IOTU CORPORATION, and its shareholding increased from 92.31% to 93.08%.

As the aforementioned transactions did not change the consolidated company's control over the subsidiary, the consolidated company considered it to be an equity transaction.

	IOTU CORPORATION
Consideration paid	($ 1,026)
Net asset carrying amount of the subsidiary calculated based on the change in relative equity which should be transferred to non-controlling equity	441
Difference in equity transaction	($ 585)
Adjustment of difference in equity transaction	
Capital surplus - recognition of change in equity ownership of subsidiary	($ 585)

XXVIII. Capital risk management

The consolidated company conducts capital management to ensure that all enterprises within the Group can, on the premises of continuing operation, optimize the balance of debts and equity to maximize the return to shareholders.

The capital structure of the consolidated company is composed of net debt (i.e. borrowings minus cash and cash equivalents) and equity (i.e. equity, capital surplus, retained earnings, and other equity items).

The consolidated company does not need to comply with other external capital regulations.

XXIX. Financial instrument

(I) Information on fair value - financial instruments not measured at fair value

December 31, 2024

	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities measured at amortized cost					
- Convertible corporate bonds	$381,219	$382,000	$ -	$ -	$382,000

December 31, 2023

	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities measured at amortized cost					
- Convertible corporate bonds	$220,905	$225,494	$ -	$ -	$225,494

(II) Fair value information - 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 fair value through profit or loss				
Beneficiary certificates of mutual funds	$ 5,037	$ -	$ -	$ 5,037
Derivatives of redemption rights	-	120	-	120
Total	$ 5,037	$ 120	$ -	$ 5,157
Financial assets at fair value through other comprehensive income				
Equity instruments				
- TWSE (TPEx) listed and emerging market stocks	$ 6,045	$ -	$ -	$ 6,045
- TWSE (TPEx) unlisted ordinary stocks	-	-	24,412	24,412
	$ 6,045	$ -	$ 24,412	$ 30,457

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Domestic TWSE (TPEx) listed stocks	$ 846	$ -	$ -	$ 846
Beneficiary certificates of mutual funds	5,836	-	-	5,836
Total	$ 6,682	$ -	$ -	$ 6,682
Financial assets at fair value through other comprehensive income				
Equity instruments				
- TWSE (TPEx) listed and emerging market stocks	$ 7,378	$ -	$ -	$ 7,378
- TWSE (TPEx) unlisted ordinary stocks	-	-	18,432	18,432
	$ 7,378	$ -	$ 18,432	$ 25,810

There were no transfers between Level 1 and 2 fair value measurements in 2024 and 2023.

2. Adjustment of financial instruments measured at fair value at level 3

Financial assets at fair value through other comprehensive income	2024	2023
Beginning balance	$ 18,432	$ 33,690
Purchase	6,000	257
Disposal	-	(1,279)
Revaluation gains (losses) on financial assets measured at fair value through other comprehensive income	(20)	(14,236)
Ending balance	$ 24,412	$ 18,432

3. Evaluation techniques and input values for level 2 fair value measurements

Financial instrument type	Evaluation techniques and input values
Derivatives of redemption rights	Binary tree convertible bond evaluation model: based on the evaluation-date stock price, stock price volatility, risk-free interest rate relative to the duration of the convertible bond, risk discount rate considering the credit premium, and reduced liquidity reduction factor.

4. Evaluation techniques and input values for level 3 fair value measurements

Financial instrument type	Evaluation techniques and input values
TWSE (TPEx) unlisted ordinary stocks	TWSE (TPEx) unlisted investment uses the asset method. The asset method is mainly applied to venture capital companies to evaluate their fair values by referring to their net asset values.

(III) Categories of financial instruments

	December 31, 2024	December 31, 2023
Financial assets		
Measured at fair value through profit or loss		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	$ 5,157	$ 6,682
Financial assets measured at amortized cost (note 1)	1,628,544	1,559,050
Financial assets at fair value through other comprehensive income		
Equity instruments	30,457	25,810
Financial liabilities		
Measured at amortized cost (note 2)	2,165,628	2,349,822

Note 1: The balances include cash and cash equivalents, financial assets at amortized cost, notes receivable and accounts receivable, other receivables, refundable deposits and other financial assets at amortized cost.

Note 2: The balance includes financial liabilities measured at amortized cost such as short-term borrowings, notes and accounts payable, other payables, corporate bonds payable and guarantee deposits received.

(IV) Purpose and policy of financial risk management

The main financial instruments of the consolidated company include equity and debt investments, accounts receivable, notes payable, accounts payable, loans and corporate bonds payable. The financial management department of the consolidated company provides services for all business units, coordinates the entry into domestic and international financial markets, and supervises and manages financial risks related to the operation of the consolidated company by analyzing the internal risk report of the exposure according to the risk level and breadth. These risks include market risk (including exchange rate risk, interest rate risk and other price risks), credit risk and liquidity risk.

1. Market risk

The main financial risk from the operating activities of the consolidated company leads to the consolidated company's foreign currency exchange rate change risk (refer to (1) below) and the interest rate change risk (refer to (2) below).

(1) Exchange rate risk

The consolidated company engages in foreign currency denominated sales and purchase transactions, resulting in exposure to exchange rate change risk.

Please refer to note 35 for the carrying amounts of monetary assets and monetary liabilities (including monetary items written off under non-functional currency in the consolidated financial statements) of the consolidated company denominated in non-functional currency on the balance sheet date.

Sensitivity Analysis

The consolidated company is mainly affected by the exchange rate fluctuation of US dollar.

The following table details the sensitivity analysis of the consolidated company when the exchange rate of New Taiwan dollar (functional currency) against US dollar changes by 1%. 1% is the sensitivity ratio used within the Group to report exchange rate risk to the key management, and also represents the management's assessment of the range of reasonably possible changes in foreign currency exchange rates. The sensitivity analysis only includes the monetary items that are outstanding, and the conversion at the end of the period is adjusted by 1% of the exchange rate change. When NTD appreciates by 1% against USD, the pre-tax profit for 2024 and 2023 will increase by NT$(1,774) thousand and NT$(373) thousand, respectively. The impact of the exchange rate fluctuations above mainly comes from the receivable and payable items of the consolidated company that are still outstanding on the balance sheet date which have not undergone cash flow risk hedging.

(2) Interest rate risk

Interest rate risk exposure is caused by the fact that entities in the consolidated company borrow funds at fixed and floating rates at the same time. The consolidated company manages interest rate risk by maintaining an appropriate combination of fixed and floating interest rates.

The carrying amounts of the financial assets and financial liabilities of the consolidated company subject to interest rate risk exposure on the balance sheet date are as follows:

	December 31, 2024	December 31, 2023
With interest rate risk in fair value		
- Financial assets	$ 70,657	$ 15,047
- Financial liabilities	966,448	616,610
With interest rate risk in cash flow		
- Financial assets	487,035	591,859
- Financial liabilities	72,005	450,514

Sensitivity Analysis

The following sensitivity analysis is based on the interest rate risk exposure of non-derivative instruments on the balance sheet date. For floating interest rate liabilities, it is assumed that the amount of liabilities outstanding on the balance sheet date is also outstanding during the reporting period. 25 basis points is the sensitivity rate used within the Group to report interest rate risk to the key management, and also represents the management's assessment of the range of reasonably possible changes in foreign currency interest rate.

If the interest rate increases/decreases by 25 basis points, and all other variables remain unchanged, the consolidated Company's net income before tax for 2024 and 2023 will increase/decrease by NT$1,038 thousand and NT$353 thousand, respectively.

(3) Other price risks

Equity price risk exposure due to the consolidated company's investment in TWSE/TPEx listed stocks. This equity investment is not held for trading but a strategic investment. The consolidated company does not actively engage in such investment. The consolidated company's equity price risk mainly concentrates in the equity instruments listed on TPEx in Taiwan.

Sensitivity Analysis

The following sensitivity analysis is based on the equity price exposure on the balance sheet date.

If the equity price had increased/decreased by 15%, the pre-tax profit or loss for 2024 and 2023 would have increased/decreased by NT$756 thousand and NT$1,002 thousand, respectively, due to the increase/decrease in fair value of financial assets measured at fair value through profit or loss. Other comprehensive income before tax in 2024 and 2023 would have increased/decreased by NT$907 thousand and NT$1,107 thousand, respectively, due to the increase/decrease in the fair value of financial assets at fair value through other comprehensive income.

2. Credit risk

Credit risk refers to the risk of the Group's financial loss caused by default of contractual obligations of the trading counterparty. As of the balance sheet date, the maximum credit risk exposure of the consolidated company due to the trading counterparty's non-performance of obligations comes from the carrying amount of financial assets recognized in the consolidated balance sheet.

The customer base of the consolidated company is vast and unrelated, so the concentration of credit risk is not high.

3. Liquidity risk

The consolidated company manages and maintains sufficient cash and cash equivalents to cover operating expenses and mitigate the impact of cash flow fluctuations. The management of the consolidated company supervises bank financing limits and ensures compliance with loan contract terms.

Bank loans are an important source of liquidity for the consolidated company. For the consolidated Company's unused financing facilities as of December 31, 2024 and 2023, please refer to the description of (2) Financing facilities below.

(1) Table of liquidity and interest rate risk of non-derivative financial liabilities

The maturity analysis of the remaining contracts of non-derivative financial liabilities is based on the undiscounted cash flows (including principal and estimated interest) of financial liabilities on the earliest possible repayment date of the consolidated company. Therefore, the series of bank loans that the consolidated company may be required to repay immediately shall not take into account the probability of the bank executing the right immediately in the earliest period in the table below; the maturity analysis of other non-derivative financial liabilities are prepared according to the agreed repayment dates.

December 31, 2024

	Immediate repayment or repayment in less than 1 month required	1~3 months	3 months to 1 year	1 to 5 years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 922,559	$ 259,175	$ 26,623	$ -
Lease liabilities	314	942	2,209	2,440
Corporate bonds payable	-	-	-	400,000
Floating rate instruments	-	72,379	-	-
Fixed rate instruments	1,877	129,211	460,922	-
	$ 924,750	$ 461,707	$ 489,754	$ 402,440

December 31, 2023

	Immediate repayment or repayment in less than 1 month required	1~3 months	3 months to 1 year	1 to 5 years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 494,025	$ 862,705	$ 21,606	$ -
Lease liabilities	187	561	1,524	1,500
Corporate bonds payable	-	-	222,600	-
Floating rate instruments	50,059	129,387	264,399	-
Fixed rate instruments	51,748	6,000	353,013	-
	$ 596,019	$ 998,653	$ 863,142	$ 1,500

The amount of floating rate instruments for non-derivative financial assets and liabilities mentioned above will vary depending on the difference between the floating rate and the estimated interest rate on the balance sheet date.

(2) Financing limits

	December 31, 2024	December 31, 2023
Secured bank loan limit		
- Amount already used	$ 652,466	$ 832,569
- Amount not used	460,534	380,431
	$ 1,113,000	$ 1,213,000

XXX. Related Party Transaction

Transactions, account balances, income and expenses and impairments between the Company and its subsidiaries (which are related parties of the Company) are eliminated in full at the time of consolidation, so they are not disclosed in this note. Other than those disclosed in other notes, the transactions between the consolidated company and other related parties are as follows:

(I) Names of related parties and their relationships

Name of related party	Relationship with the consolidated company
Hechuang Intelligence Co., Ltd.	Affiliated enterprise
UWIN RESOURCE REGENERATION INC.	Affiliated enterprise
Rigo Global Co., Ltd.	Substantive related party
Midas Labs Inc.	Substantive related party
Neurobit Technologies	Substantive related party
Instant NanoBiosensors	Substantive related party
Allbio Life Co., Ltd.	Substantive related party
Tongxin Tang Pharmaceutical Shop	Substantive related party
Mao-Sung Chang	Chairman of the Company
Chien-Wei Chen	President of the Company
Peng-Chun Chen	Substantive related party

(II) Operating Revenue

Accounting items	Type of related party	2024	2023
Sales revenue	Substantive related party	$ 911	$ 2,557

The transactions between the consolidated company and the above-mentioned related party are subject to the agreed terms and conditions.

(III) Purchase

Type of related party	2024	2023
Substantive related party	$ -	$ 213

The transactions between the consolidated company and the above-mentioned related party are subject to the agreed terms and conditions.

(IV) Accounts receivable from a related party

Accounting items	Type of related party	December 31, 2024	December 31, 2023
Accounts receivable	Substantive related party	$ 371	$ 47

No guarantee is collected for outstanding accounts receivable due from related parties. No loss allowance is allocated for accounts receivable due from related parties in 2024 and 2023.

(V) Payables to related parties

Accounting items	Type of related party	December 31, 2024	December 31, 2023
Accounts payable	Substantive related party	$ 209	$ 214

(VI) Prepayments

Type/name of related party	December 31, 2024	December 31, 2023
Affiliated enterprise		
UWIN RESOURCE REGENERATION INC.	$ -	$ 5,714

(VII) Loans from related parties

Type/name of related party	December 31, 2024	December 31, 2023
Substantive related party		
Peng-Chun Chen	$ -	$ 10,000

Interest expenses

Type/name of related party	2024	2023
Substantive related party		
Peng-Chun Chen	$ 108	$ 146

The interest rate of the consolidated company's borrowings from the related parties is equivalent to the market interest rate. All borrowings from substantive related parties are unsecured borrowings

(VIII) Endorsements and guarantees

Endorsements and guarantees obtained

Type/name of related party	December 31, 2024	December 31, 2023
Mao-Sung Chang		
Guaranteed amount	$ 1,113,000	$ 1,213,000
Actual amount used (recognized as guaranteed bank loan)	(652,466)	(832,569)
	$ 460,534	$ 380,431

(Note) The loan is jointly guaranteed by the Chairman and President of the Company.

(IX) Other related party transactions

Accounting items	Type of related party	2024	2023
Professional service fees	Affiliates	$ 17,143	$ -

(X) Compensation of key management

	2024	2023
Short-term employee benefits	$ 17,152	$ 20,301
Post-employment benefits	851	970
	$ 18,003	$ 21,271

The compensation of directors and other key management is determined by the Compensation Committee in accordance with individual performance and market trends.

XXXI. Pledged Assets

The following assets have been provided as collateral for short-term borrowings and letters of credit:

	December 31, 2024	December 31, 2023
Pledged time deposit (recorded as financial assets at amortized cost)	$ 6,124	$ 5,447
Property and plant	777,958	799,630
Investment property	33,001	33,323
	$817,083	$838,400

XXXII. Significant Contingent Liabilities and Unrecognized Contractual Commitments

The unrecognized contractual commitments of the consolidated company are as follows:

	December 31, 2024	December 31, 2023
Acquisition of property, plant, and equipment	$ -	$ 6,803

XXXIII. Foreign Currency Financial Assets and Liabilities With Significant Impact

The following information is summarized and expressed in foreign currencies other than the functional currency of each entity of the consolidated company. The disclosed exchange rate refers to the exchange rate converted from such foreign currencies to the functional currencies. Foreign currency financial assets and liabilities with significant impact are as follows:

December 31, 2024

	Foreign currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary item			
USD	$ 43,030	32.785 (USD:NTD)	$ 1,410,751
Foreign currency liabilities			
Monetary item			
USD	48,527	32.785 (USD:NTD)	$ 1,588,129

December 31, 2023

	Foreign currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary item			
USD	$ 50,976	30.705 (USD:NTD)	$ 1,565,203
Foreign currency liabilities			
Monetary item			
USD	52,276	30.705 (USD:NTD)	$ 1,602,483

Foreign currency exchange gains and losses (realized and unrealized) with significant impact are as follows:

	2024		2023	
Functional currency	Functional currency to expressing currency	Net exchange gain or loss	Functional currency to expressing currency	Net exchange gain or loss
USD	32.112 (USD:NTD)	$ 5	31.155 (USD:NTD)	($ 1,241)
NTD	1 (NTD:NTD)	22,460	1 (NTD:NTD)	11,547
HKD	4.115 (HKD:NTD)	-	3.980 (HKD:NTD)	1
		$ 22,465		$ 10,307

XXXIV. Disclosure Notes

(I) Information about significant transactions:

1. Loans to others: None.
2. Endorsements/guarantees provided for others: Table 1.
3. Marketable securities held at the end of the year (excluding investments in subsidiaries, affiliates and joint ventures): Table 2.
4. Cumulative purchase or sale of the same securities reaching NT$300 million or 20% of the paid-in capital: none.
5. Amount of real estate acquired reaching NT$300 million or 20% of the paid-in capital: none.
6. Amount of real estate disposed of reaching NT$300 million or 20% of the paid-in capital: none.
7. Amount of purchases or sales with related parties reaching NT$100 million or 20% of the paid-in capital: Appendix 3.
8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 4.
9. Engagement in derivatives transactions. Appendix 7.
10. Other business relationship between the parent and the subsidiary companies and among subsidiary companies, as well as important transactions and amounts: Table 5.

(II) Information related to reinvestment businesses: Appendix 6.

(III) Mainland China investment information: none.

(IV) Major shareholders' information: names, shareholdings and proportions of shareholders with a shareholding ratio of more than 5%: Appendix 7.

XXXV. Departmental Information

Providing information to the main business decision-makers to allocate resources and evaluate departmental performance, focusing on the type of product or service delivered or provided. The reportable departments of the consolidated company are as follows:

Display card manufacturing and sales business.

Construction engineering business

Other businesses

(I) Department revenue and operating results

The revenue and operating results of the consolidated company are analyzed as follows according to the reportable department:

	Segment revenue		Segment profit and loss	
	2024	2023	2024	2023
Display card manufacturing and sales business.	$ 4,684,920	$ 5,405,810	($ 186,472)	($ 119,261)
Construction business	9,335	1,733	(2,098)	(42,516)
Others	2,044	4,548	(8,711)	(3,771)
Total amount of continuing operating units	$ 4,696,299	$ 5,412,091	(197,281)	(165,548)
Non-operating Income and expenses			(16,547)	(2,998)
Net loss before tax			($ 213,828)	($ 168,546)

All the departmental revenue reported above is generated from transactions with internal and external customers. The Interdepartmental sales for 2024 and 2023 have been eliminated during the consolidation process. The Interdepartmental sales are based on the conditions agreed upon by both parties.

Department income refers to the profit earned by each department, excluding non-operating income and expenses and income tax expenses. This measured amount is to serve as a reference for key business decision-makers to allocate resources to departments and evaluate their performance.

(II) Information by Region

The consolidated company's revenue from external customers' operating units is presented as follows, based on the operating location and non-current assets by asset location:

	Income from external clients		Non-current assets	
	2024	2023	December 31, 2024	December 31, 2023
Taiwan	$ 376,322	$ 153,923	$ 961,264	$ 973,152
Americas	1,223,343	1,841,509	22,303	24,784
Asia	1,861,312	1,461,635	-	-
Europe	1,016,928	1,841,589	4,602	1,826
Others	218,394	113,435	-	-
	$ 4,696,299	$ 5,412,091	$ 988,169	$ 999,762

Non-current assets do not include financial instruments, deferred income tax assets, and net defined benefit assets.

(III) Major client information

Customers with revenue contribution reaching 10% of the total revenue of the consolidated company:

	2024	2023
Company A	$ 552,855	$ 1,093,089
Company B	348,384	639,632
	$ 901,239	$ 1,732,721

Tul Corp. and Subsidiaries

Endorsements and guarantees for others

December 31, 2024

Appendix 1

Unit: NT$1,000

Number (note 1)	Name of endorsing or guaranteeing company	Name of endorsed or guaranteed company		Limit of endorsement or guarantee for a single enterprise (note 2)	Maximum endorsement or guarantee balance of the period	Endorsement or guarantee balance at period end	Actual amount used	Endorsement and guarantee amount with assets as collateral	Accumulated endorsement and guarantee amount as a percentage (%) of the net value as in the latest financial statements	Maximum endorsement or guarantee limit (note 3)	Endorsements and guarantees provided to subsidiaries by the parent company	Endorsements and guarantees provided by subsidiaries to the parent company	Endorsements and guarantees provided to mainland China area
		Company name	Relationship										
0	Tul Corp.	IOTU CORPORATION	Subsidiary with over 50% ordinary share equity directly held by the Company	$ 290,021	$ 22,113	$ -	$ -	$ -	-%	$ 725,052	Y	N	N
0	Tul Corp.	Sparkle Computer Co., Ltd.	Subsidiary with over 50% ordinary share equity directly held by the Company	290,021	81,175	81,175	39,847	-	5%	725,052	Y	N	N

Note 1: The explanation of the number field is as follows:

Fill in 0 for the issuer.

Note 2: Calculated based on 20% of the Company’s net value as in the financial statements dated December 31, 2024.

Note 3: Calculated based on 50% of the Company’s net value as in the financial statements dated December 31, 2024.

Tul Corp. and Subsidiaries

Marketable securities held at the end of the year

December 31, 2024

Appendix 2

Unit: NT$1,000

Holding company	Name of security	Relationship with the securities issuer	Accounting subject	Period end				Remarks
				Number of shares/(1,000 shares)	Carrying amount	Shareholding percentage (%)	Fair value	
Tul Corp.	Stock							
	Clientron Corp.	-	Non-current financial assets at fair value through other comprehensive income.	476	$ 6,045	1	$ 6,045	
	MedFluid Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income.	400	6,000	6	6,000	
	Midas Labs Inc.	-	Non-current financial assets at fair value through other comprehensive income.	1,852	855	4	855	
	Neurobit Technologies	-	Non-current financial assets at fair value through other comprehensive income.	1,728	3	3	3	
	Instant NanoBiosensors	-	Non-current financial assets at fair value through other comprehensive income.	263	561	4	561	
	Inforcom Technology Inc.	-	Non-current financial assets at fair value through other comprehensive income.	760	12,088	4	12,088	
	CytoArm Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income.	385	634	1	634	
	Allbio Life Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income.	400	1,409	7	1,409	
	RFIC Technology Corporation	-	Financial assets at fair value through other comprehensive income	900	2,862	3	2,862	
	Beneficiary certificates - open-end funds							
	HSBC Super Core Optimized Multi-Asset Fund	-	Current financial assets at fair value through profit or loss.	500	5,037	-	5,037	

Note: Please refer to Appendix 6 for information on the investment in the equity of subsidiaries and related enterprises.

Tul Corp. and Subsidiaries

Amount of purchases or sales with related parties reaching NT$100 million or 20% of the paid-in capital.

January 1 to December 31, 2024

Appendix 3

Unit: NT$1,000

Selling company	Name of trading counterparty	Relationship	Transaction details				Circumstances and reasons why the trading conditions differ from those of ordinary trading		Accounts receivable		Remarks
			Sales	Amount	Percentage of total sales	Credit period	Unit price	Credit period	Balance	Percentage of total accounts receivable	
Tul Corp.	TUL Inc.	Subsidiary	Sales	$ 972,785	24%	OA 120 days	Cost markup	No significant difference	$ 583,508	40%	
	TUL B.V.	Subsidiary	Sales	571,819	14%	OA 120 days	Cost markup	No significant difference	171,160	12%	
	Sparkle Computer Co., Ltd.	Subsidiary	Sales	364,895	9%	OA 120 days	Cost markup	No significant difference	50,341	3%	

Note: The transactions above have been written off during the preparation of the consolidated financial statements.

Tul Corp. and Subsidiaries

Receivables from related parties reaching NT$100 million or 20% of the paid-in capital.

December 31, 2024

Appendix 4

Unit: NT$1,000

Companies with accounts receivable	Trading counterparty	Relationship	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Amount recovered after the due date of accounts receivable due from related parties	Allocation of allowance for bad debts	Remarks
					Amount	Handling method			
Tul Corp.	TUL Inc.	Subsidiary	$ 583,508	1.31	$ 141,697	Received in subsequent periods	$ 275,888	$ -	
	TUL B.V.	Subsidiary	171,160	2.32	-	-	143,473	-	

Note: The transactions above have been written off during the preparation of the consolidated financial statements.

Tul Corp. and Subsidiaries

Business relationship between the parent and the subsidiary companies and among subsidiary companies, as well as important transactions and amounts

January 1 to December 31, 2024

Appendix 5

Unit: NT$1,000

Number (note 1)	Name of trader	Trade partner	Relationship with the trader (note 2)	Trading situation			
				Subject	Amount	Trade conditions	Percentage of total consolidated revenue or total assets (note 3)
0	Tul Corp.	TUL Inc.	1	Accounts receivable	$ 583,508	OA 120 days	15%
				Sales revenue	972,785	OA 120 days	24%
		TUL B.V.	1	Accounts receivable	171,160	OA 120 days	4%
				Sales revenue	571,819	OA 120 days	14%
		Sparkle Computer Co., Ltd.	1	Accounts receivable	50,341	OA 120 days	1%
				Sales revenue	364,895	OA 120 days	9%

Note 1: The business transactions between the Company and its subsidiaries should be indicated separately in the number field, and the method for filling in the number is as follows:

1. Fill in "0" for the Company.
2. Subsidiaries are numbered in sequence in each company type starting from the number 1.

Note 2: There following two types of relationships with the trader exist; just indicate the type:

1. The Company to a subsidiary.
2. Subsidiary to the Company.

Note 3: The transactions above have been written off during the preparation of the consolidated financial statements.

Tul Corp. and Subsidiaries

Name of Investee company, location...etc.

January 1 to December 31, 2024

Appendix 6

Unit: NT$1,000

Name of Investment company	Name of Investee company	Location	Major business items	Initial investment amount		Holding at end of year			Current profit or loss of the investee company	Investment profit or loss recognized in the year	Remarks
				End of year	Beginning of year	Number of shares (1,000 shares)	Percentage (%)	Carrying amount			
Tul Corp.	TUL Inc.	USA	Sales of information software and hardware products.	$ 3,042	$ 3,042	100	100	$ 18,814	$ 7,818	$ 7,818	Subsidiary
	IOTU CORPORATION	Taiwan	Contracting of information and communication projects.	121,026	121,026	12,100	93.08	5,597	(4,317)	(4,013)	Subsidiary
	TUL B.V.	Netherlands	Sales of information software and hardware products.	4,147	4,147	100	100	10,269	(2,734)	(2,734)	Subsidiary
	Technology Created Medicine Corporation	Taiwan	Medical equipment manufacturing and wholesale, and telecommunications equipment retail.	29,000	29,000	2,900	100	20,016	(11,053)	(11,053)	Subsidiary
	Sparkle Computer Co., Ltd.	Taiwan	Sales of information software and hardware products.	139,000	139,000	13,900	100	148,440	5,022	2,583	Subsidiary
	TUL Pte. LTD. (note 3)	Singapore	General investment business	491	-	20	100	221	(279)	(279)	Subsidiary
	Hechuang Intelligence Co., Ltd.	Taiwan	Information and data processing.	-	3,850	385	46.67	-	(85)	(40)	Affiliated enterprise
	UWIN RESOURCE REGENERATION INC. (note 2)	Taiwan	Lithium-ion battery regeneration	30,000	-	300	8.30	3,213	(25,456)	(1,815)	Affiliated enterprise
IOTU CORPORATION	UWIN RESOURCE REGENERATION INC. (note 4)	Taiwan	Lithium-ion battery regeneration	12,000	12,000	302	8.34	3,227	(24,456)	(2,124)	Affiliated enterprise
Sparkle Computer Co., Ltd.	SPARKLE EUROPE B.V. (note 5)	Netherlands	Sales of information software and hardware products.	1,716	-	1	100	1,734	(89)	(89)	Subsidiary

Note 1: All subsidiaries in the table above have been consolidated into the consolidated statements, and related investments and gains and losses have been written off.

Note 2: On June 25, 2024, the consolidated company acquired 300 thousand shares of UWIN RESOURCE REGENERATION INC. with a cash investment of NT$30,000 thousand, obtaining an 8.30% equity stake.

Note 3: The consolidated company passed a board resolution on December 21, 2023, to establish a wholly owned subsidiary, TUL Pte. LTD., in Singapore with an investment of SGD 20,000. The establishment of the subsidiary was completed on January 25, 2024.

Note 4: On August 3, 2022, the consolidated Company invested NT$12,000 thousand in cash for 302 thousand shares of UWIN RESOURCE REGENERATION INC. to acquire 10% of the equity, which was measured at fair value through other comprehensive income; on September 26, 2023, has a significant influence on the company due to the acquisition of two of the five seats on the board of directors of the company. Therefore, the financial assets measured at fair value through other comprehensive income on the date of acquisition of the significant influence are classified as an associate of the consolidated company.

Note 5: The consolidated company passed a board resolution on June 21, 2024, to acquire a wholly owned subsidiary, SPARKLE EUROPE B.V., in the Netherlands with an investment of EUR 1,200. The registration was completed on October 28, 2024.

Tul Corp.

Major shareholders' information

December 31, 2024

Appendix 7

List of Major Shareholders	Shares	
	Shares held (shares)	Shareholding percentage
Fen-Lan Liu	2,629,833	5.43%

Note: The major shareholders' information in this table is based on the calculation by the Central Depository & Clearing Corporation on the last business day at the end of the current quarter, where the total number of ordinary and preferred shares held by shareholders that have completed scripless registration and delivery (including treasury shares) exceeds 5%. The share capital recorded in the Company's consolidated financial report may differ from the actual number of shares with completion of scripless registration and delivery, possibly due to differences in preparation and calculation basis.