

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD**Parent Company Only Financial Statements****With Independent Auditors' Report
For the Years Ended December 31, 2024 and 2023**

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

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Independent Auditors' Report

To the Board of Directors of Shian Yih Electronic Industry Co., Ltd:

Opinion

We have audited the financial statements of Shian Yih Electronic Industry Co., Ltd("the Company"), which comprise the balance sheet as of December 31, 2024 and 2023, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent-company-only financial statements of the current period. These matters were addressed in the context of our audit of the parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Cutoff of revenue

For accounting policies on revenue recognition, please refer to note 4(13) to the parent-company-only financial statements. For revenue recognition, please refer to note 6(20).

Description of key audit matter:

The Company's revenue is recognized when the control over a product has been transferred as specified in each sales contract. Due to various terms and conditions of the contracts, it is a highly complicated task to identify whether the control has been transferred and recognize revenue accordingly. Therefore, we have determined the timing of inventory valuation to be a key audit matter.

How the matter was addressed in our audit:

Our audit procedures in this area included:

- Testing the design, execution and effectiveness of internal control over revenue;
- reviewing significant new contracts and obtaining understanding of contractual terms; and
- sampling sales transactions before and after the reporting date, so as to assess whether revenues recognized in the correct period.

2. Inventory valuation

Please refer to note 4(7) Inventories in the parent-company-only financial statements for accounting policies for inventories, note 5 for uncertainties over accounting estimation and assumptions for inventory valuation, and note 6(5) Inventories for inventory write-downs.

Description of key audit matter:

Inventories are measured at the lower of costs and net realizable values. Due to the uncertainties over inventory values that arise from market demand fluctuations and rapid technological changes, there is risk that the costs of inventories may exceed the net realizable values thereof. Therefore, we considered timing of revenue recognition to be a key audit matter.

How the matter was addressed in our audit:

Our audit procedures in this area included:

- reviewing inventory aging reports and analyzing the changes in inventory ages during each period;
- assessing whether inventory valuation is in compliance with the Company's accounting policies;
- obtaining understanding of both the selling prices adopted by the Company's management and the changes in inventory market prices, so as to evaluate the reasonableness of net realizable values of inventories; and
- looking into the sales of older inventories in the subsequent period and assessing the basis of net realizable values, with a view to verifying the accuracy of allowance inventory loss estimated by management.

Responsibilities of Management and Those Charged with Governance for the parent-company-only Financial Statements

Management is responsible for the preparation and fair presentation of the parent-company-only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent-company-only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the parent-company-only Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Chen, Yen-Hui and Wu, Chun-Yuan.

KPMG

Taipei, Taiwan (Republic of China)
February 25, 2025

Notes to Readers

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

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

(English Translation of Originally Issued in Chinese)
SHIAN YIH ELECTRONIC INDUSTRY CO., LTD

Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023				December 31, 2024		December 31, 2023	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and Equity					
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(1))	\$ 929,149	42	712,568	31	2130	Contract liabilities-current (note 6(20))	770	-	2,260	-
1170	Accounts receivable, net (note 6(3))	205,975	9	257,296	11	2170	Accounts payable	7,862	-	43,508	2
1200	Other receivables (note 6(4))	4,408	-	8,527	-	2180	Accounts payable to related parties (note 7)	102,765	5	91,601	4
1210	Other receivables from related parties (note 6(4) and 7)	938	-	93,206	4	2200	Other payables (note 6(23))	27,359	1	45,191	2
1220	Total current tax assets (note 6(5))	4,860	-	-	-	2220	Other payables to related parties (notes 7)	21,626	1	29,022	1
130X	Inventories	78,828	4	194,644	9	2230	Current tax liabilities	-	-	30,224	1
1410	Prepayments	4,451	-	5,946	-	2280	Lease liabilities-current (notes 6(14))	6,070	-	3,420	-
1470	Other current assets	921	-	90	-	2300	Other current liabilities (notes 6(12))	6,640	-	6,488	-
1476	Other financial assets-current (note 6(10) and 8)	36,064	2	191,495	8	2313	Deferred revenue (notes 6(15))	378	-	1,356	-
		1,265,594	57	1,463,772	63	2320	Long-term borrowings, current portion (notes 6(13), (15)and 8)	58,750	3	64,637	3
								232,220	10	317,707	13
Non-current assets:						Non-Current liabilities:					
1521	Non-current financial assets at fair value through other comprehensive income (note 6(2))	9,246	-	9,334	-	2540	Long-term borrowings (notes 6(13), (15)and 8)	60,647	3	118,041	5
1551	Investments accounted for using equity method (notes 6(6) and 7)	860,684	39	772,141	33	2570	Deferred tax liabilities (note 6(17))	31,773	2	14,868	1
1600	Property, plant and equipment (notes 6(7) and 8)	53,164	2	84,657	4	2580	Lease liabilities-non-current (notes 6(14))	9,899	-	-	-
1755	Right-of-use assets (note 6(8))	15,894	1	3,293	-	2630	Long-term deferred revenue (notes 6(15))	62	-	440	-
1822	Intangible assets (note 6(9))	8	-	41	-			102,381	5	133,349	6
1840	Deferred tax assets (note 6(17))	25,631	1	1,311	-		Total liabilities	334,601	15	451,056	19
1980	Guarantee deposits paid (note 6(10))	1,102	-	1,003	-		Equity (notes 6(18)):				
		965,729	43	871,780	37	3100	Share capital	611,750	27	611,750	26
						3200	Capital surplus	669,678	30	669,678	29
						3300	Retained earnings	730,171	33	751,522	32
						3400	Other equity	(114,877)	(5)	(148,454)	(6)
							Total equity	1,896,722	85	1,884,496	81
Total assets		\$ 2,231,323	100	2,335,552	100		Total liabilities and equity	\$ 2,231,323	100	2,335,552	100

See accompanying notes to .

(English Translation of Financial Statements Originally Issued in Chinese)
SHIAN YIH ELECTRONIC INDUSTRY CO., LTD

Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (note 6(20) and 7)	\$ 857,041	100	1,188,348	100
5000	Operating costs (notes 6(5), (9), (16) and (7))	846,574	99	988,826	83
5950	Gross profit from operations	10,467	1	199,522	17
	Operating expenses (notes 6(9), (16) and (21)) :				
6100	Selling expenses	34,442	4	41,932	4
6200	Administrative expenses	50,754	6	58,029	5
6300	Research and development expenses	8,826	1	12,655	-
6450	Reversal of expected credit loss (note 6(4))	675	-	-	-
		94,697	11	112,616	9
6900	Net operating income	(84,230)	(10)	86,906	8
7000	Non-operating income and expenses:				
7100	Interest income (note 6(22) and 7)	47,161	6	45,742	4
7010	Other income (note 6(15) and (22))	2,244	-	6,083	-
7020	Other gains and losses, net (notes 6(22))	74,343	9	6,132	-
7775	Share of profit (losses) of associates accounted for using equity method	53,593	6	41,232	4
7050	Finance costs (notes 6(14) and (22))	(2,609)	-	(3,260)	-
		174,732	21	95,929	8
7900	Profit before income tax	90,502	11	182,835	16
7950	Less: Income tax expenses (note 6(17))	7,855	1	34,006	3
8200	Profit for the period	82,647	10	148,829	13
8300	Other comprehensive income:				
8310	Items that may not be reclassified subsequently to profit or loss:				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (notes 6(18))	(88)	-	(6,072)	(1)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (notes 6(17))	-	-	-	-
		(88)	-	(6,072)	(1)
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign financial statements (note 6(18))	33,665	4	(12,300)	(1)
8399	Income tax related to items that will be reclassified to profit or loss (notes 6(17))	-	-	-	-
		33,665	4	(12,300)	(1)
8300	Other comprehensive income (after tax)	33,577	4	(18,372)	(2)
8500	Total comprehensive income for the period	\$ 116,224	14	130,457	11
	Earnings per share (note 6(19))				
9750	Basic earnings per share (NT dollars)	\$ 1.35		2.43	
9850	Diluted earnings per share (NT dollars)	\$ 1.34		2.41	

See accompanying notes to .

(English Translation of Financial Statements Originally Issued in Chinese)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD**Statements of Changes in Equity****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	Retained earnings					Other equity		Total	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income		
Balance at January 1, 2023	\$ 611,750	669,678	229,973	157,621	337,449	725,043	(120,153)	(9,929)	1,876,389
Profit for the year ended December 31, 2023	-	-	-	-	148,829	148,829	-	-	148,829
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	(12,300)	(6,072)	(18,372)
Comprehensive income for the year ended December 31, 2023	-	-	-	-	148,829	148,829	(12,300)	(6,072)	130,457
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	18,496	-	(18,496)	-	-	-	-
Special reserve	-	-	-	(27,539)	27,539	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(122,350)	(122,350)	-	-	(122,350)
			18,496	(27,539)	(113,307)	(122,350)			(122,350)
Balance at December 31, 2023	\$ 611,750	669,678	248,469	130,082	372,971	751,522	(132,453)	(16,001)	1,884,496
Balance at January 1, 2024	\$ 611,750	669,678	248,469	130,082	372,971	751,522	(132,453)	(16,001)	1,884,496
Profit for the year ended December 31, 2024	-	-	-	-	82,647	82,647	-	-	82,647
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	-	-	33,665	(88)	33,577
Comprehensive income for the year ended December 31, 2024	-	-	-	-	82,647	82,647	33,665	(88)	116,224
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	14,883	-	(14,883)	-	-	-	-
Reversal of special reserve	-	-	-	18,372	(18,372)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(103,998)	(103,998)	-	-	(103,998)
			14,883	18,372	(137,253)	(103,998)			(103,998)
Balance at December 31, 2024	\$ 611,750	669,678	263,352	148,454	318,365	730,171	(98,788)	(16,089)	1,896,722

See accompanying notes to .

(English Translation of Financial Statements Originally Issued in Chinese)
SHIAN YIH ELECTRONIC INDUSTRY CO., LTD

Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from operating activities:		
Profit before income tax	\$ 90,502	182,835
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	37,713	41,623
Amortization expense	33	61
Reversal of expected credit loss	675	-
Interest expense	2,609	3,260
Interest income	(47,161)	(45,742)
Share of profit of subsidiaries accounted for using equity method	(53,593)	(41,232)
Gain from disposal of property, plant and equipment	(1,294)	(1,284)
Total adjustments to reconcile profit (loss)	(61,018)	(43,314)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in accounts receivable	50,646	30,949
Decrease in other receivable include related parties	3,605	108,306
(Decrease) increase in inventories	115,816	(60,328)
Decrease in prepayments	1,495	40
Increase in other current assets	(831)	(6)
Total changes in operating assets	170,731	78,961
Changes in operating liabilities:		
Decrease in accounts payable include related parties	(24,482)	(565)
Decrease in other payables include related parties	(25,232)	(7,437)
(Decrease) increase in other current liabilities	(1,338)	108
Total changes in operating liabilities	(51,052)	(7,894)
Total changes in operating assets and liabilities	119,679	71,067
Total adjustments	58,661	27,753
Cash inflow generated from operations	149,163	210,588
Interest received	47,828	44,818
Interest paid	(2,605)	(3,259)
Income taxes paid	(50,354)	(31,017)
Net cash flows from operating activities	144,032	221,130
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(363)	(3,745)
Disposal of property, plant and equipment	9	-
Increase in refundable deposit	(99)	-
(Decrease) increase in other receivables include from related parties	92,115	(92,670)
Acquisition of intangible assets	-	(65)
(Decrease) increase in other financial assets	155,431	(83,733)
Increase in other non-current assets	-	34
Net cash (used in) flows from investing activities	247,093	(180,179)
Cash flows from financing activities:		
Repayments of long-term borrowings	(64,637)	(65,814)
Payment of lease liabilities	(5,909)	(5,809)
Cash dividends paid	(103,998)	(122,350)
Net cash used in from financing activities	(174,544)	(193,973)
Net increase in cash and cash equivalents	216,581	(153,022)
Cash and cash equivalents at beginning of period	712,568	865,590
Cash and cash equivalents at end of period	\$ 929,149	712,568

See accompanying notes to .

(English Translation of Originally Issued in Chinese)
SHIAN YIH ELECTRONIC INDUSTRY CO., LTD

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1 Company history

Shian Yih Electronic Industry Co., Ltd (the “Company”) was incorporated on October 11, 1979 as a company limited by shares under the Company Act of the Republic of China (R.O.C.). The Company’s registered office is at No. 22, Industry 24th Rd., Taichung Industrial Park, Taichung City, Taiwan, R.O.C. The Company mainly engage in manufacture and sale of back light modules; please refer to note 14 for details.

2 Approval date and procedures of the financial statements:

These parent company only financial statements were authorized for issue by the Board of Directors on February 25, 2025.

3 New standards, amendments and interpretations adopted:

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2024:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its financial statements:

- Amendments to IAS21 “Lack of Exchangeability”

- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD
Notes to the Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027

The Company is evaluating the impact on its financial position and financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Company completes its evaluation.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD
Notes to the Financial Statements

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

4 Summary of material accounting policies:

The material accounting policies presented in the parent company only financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the parent company only financial statements.

(1) Statement of compliance

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

(2) Basis of preparation

(i) Basis of measurement

Except for financial assets (liabilities) at FVTPL, the parent company only financial statements have been prepared on a historical cost basis.

(ii) Functional and presentation currency

The functional currency of each Company entity is determined based on the primary economic environment in which the entity operates. The parent company only financial statements are presented in New Taiwan Dollar (NTD), which is the Company’s functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(3) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Company entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD

Notes to the Financial Statements

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

- 1) an investment in equity securities designated as at fair value through other comprehensive income;
- 2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- 3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, Exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

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

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD
Notes to the Financial Statements

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

An entity shall classify a liability as current when:

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(5) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(6) Financial instruments

Accounts receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD

Notes to the Financial Statements

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD

Notes to the Financial Statements

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 1 year past due or the debtor is unlikely to pay its credit obligations to the Company in full.

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECL are discounted at the effective interest rate of the financial asset.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD

Notes to the Financial Statements

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer ;
- a breach of contract such as a default or being more than 1 year past due ;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider ;
- it is probable that the borrower will enter bankruptcy or other financial reorganization ; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD

Notes to the Financial Statements

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(7) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD

Notes to the Financial Statements

(8) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(9) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straightline basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Buildings and structures	5~36 years
2) Machinery equipment	4~5 years
3) Office and other facilities	2~11 years

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD

Notes to the Financial Statements

Major components of buildings and structures were mainly include factory buildings and clean room projects, etc., and depreciation is accrued based on their accounting estimates useful life of 36 years and 6 to 21 years respectively.

Depreciation methods, useful lives and residual values are reviewed on every reporting date and, if necessary, adjusted any changes therein are accounted for as changes in accounting estimates.

(10) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD
Notes to the Financial Statements

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the assessment regarding the purchase option; or
- there is a change of its assessment on whether it will exercise an extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

If an arrangement contains lease and non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company has elected not to recognize right-of-use assets and lease liabilities for leases with short terms and low values of dormitories and other items. Instead, the Company recognizes related lease payments expenses on a straight-line basis over the lease term.

(11) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Expenditure on research activities is recognized in profit or loss as incurred.

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Notes to the Financial Statements

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets that are acquired by the Company are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The Company's other intangible assets is software, which shall be recognized in profit or loss on a straight-line basis over their estimated useful lives of 2 years from the date that they are available for use.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(12) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD
Notes to the Financial Statements

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(13) Revenue from contracts with customers

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below.

1) Sale of goods

The Company mainly produces backlight modules and related components, and sells them to manufacturers of medium and small-sized panels as well as touch modules. The Company recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

2) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(14) Government grants

The Company recognizes an unconditional government grant related to a biological asset in profit or loss as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Company for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD

Notes to the Financial Statements

(15) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(16) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profits (losses) and does not give rise to equal taxable and deductible temporary differences;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD

Notes to the Financial Statements

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(17) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares. The Company's dilutive potential ordinary shares comprise the estimate of employee remuneration.

(18) Operating segments

The Company has disclosed segment information in the consolidated financial reports, so the Parent company only financial statements do not disclose segment information.

5 Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

In preparing these parent company only financial statements, management has made judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD
Notes to the Financial Statements

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID-19 pandemic:

(1) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Company estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on the sales price. Net realizable values of inventories are mainly determined based on assumptions as to future demand within a specific time horizon. Due to rapid industrial transformation, there may be significant changes in net realizable values of inventories. Please refer to note 6(5) for inventory valuation.

6 Explanation of significant accounts:

(1) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and petty cash	\$ 589	655
Demand deposits	139,319	159,823
Checking account deposits	196	239
Time deposits	<u>789,045</u>	<u>551,851</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 929,149</u>	<u>712,568</u>

Please refer to note 6(23) for the interest rate risk, and sensitivity analysis of the financial assets and liabilities of the Company.

(2) Financial assets at fair value through other comprehensive income

	December 31, 2024	December 31, 2023
Equity investments at fair value through other comprehensive income: :		
Unlisted common shares		
Domestic Company—Ying Cheng Investment Corp.	<u>\$ 9,246</u>	<u>9,334</u>

The purpose that the Company invests in the above-mentioned equity securities is for long-term strategies rather than trading purpose. Therefore, those equity securities are designated as financial assets at fair value through other comprehensive income.

No strategic investment was disposed of by the Company and no transfer of any cumulative gains or losses within equity during the period then ended.

Please refer to note 6(23) for credit risk and market risk.

(Continued)

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None of the financial assets mentioned above has been pledged as security.

(3) Accounts receivable

	December 31, 2024	December 31, 2023
Accounts receivable — measured as amortized cost	\$ 206,650	257,296
Less: loss allowance	(675)	-
	<u>\$ 205,975</u>	<u>257,296</u>

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward looking information, including macroeconomic and relevant industry information.

The expected credit losses (ECLs) on accounts receivable as of December 31, 2024 and 2023 analyzed as follows:

December 31, 2024			
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 187,686	-	-
1 to 30 days past due	13,593	-	-
31 to 60 days past due	4,252	-	-
61 to 90 days past due	-	-	-
91 to 180 days past due	444	-	-
More than 181 days past due	675	100%	675
Total	<u>\$ 206,650</u>		<u>675</u>

December 31, 2023			
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 202,460	-	-
1 to 30 days past due	51,642	-	-
31 to 60 days past due	3,116	-	-
61 to 90 days past due	78	-	-
Total	<u>\$ 257,296</u>		<u>-</u>

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD
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The movements in the allowance for accounts receivable were as follows:

	2024	2023
Balance at January 1	\$ -	-
Impairment losses recognized	<u>675</u>	<u>-</u>
Balance at December 31	<u>\$ 675</u>	<u>-</u>

As of December 31, 2024 and 2023, none of the accounts receivable has been pledged as security.

Please refer to note 6(23) for other credit risks.

(4) Other receivables

	December 31, 2024	December 31, 2023
Other receivables	\$ 4,408	8,527
Other receivables from related parties	<u>938</u>	<u>93,206</u>
	<u>\$ 5,346</u>	<u>101,733</u>

As of December 31, 2024 and 2023, none of the Company's other receivables was overdue. For 2024 and 2023, no impairment has been recognized.

Please refer to note 6(23) for other credit risks.

(5) Inventories

	December 31, 2024	December 31, 2023
Merchandise	\$ 19,304	18,471
Finished goods	18,816	64,616
Work in progress	15,876	30,318
Raw materials	24,545	80,835
Supplies	<u>287</u>	<u>404</u>
	<u>\$ 78,828</u>	<u>194,644</u>

The costs of sales were as follows:

	2024	2023
Transferred from inventories sold	\$ 684,523	969,573
Write-down of inventories	123,844	740
Losses on inventory write-offs	1,461	1,653
Overage of inventories	(2)	2
Unallocated production overheads	<u>36,748</u>	<u>16,858</u>
Operating costs	<u>\$ 846,574</u>	<u>988,826</u>

As of December 31, 2024 and 2023, the Company did not provide any inventories as collateral for its loans.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD
Notes to the Financial Statements

(6) Inventories accounted for using equity method

A summary of the Company's financial information for investments accounted for using the equity method at the reporting date is as follows:

	December 31, 2024	December 31, 2023
Subsidiaries	\$ <u>860,684</u>	<u>772,141</u>

A. Subsidiaries

Please refer to consolidated financial statements for the year ended December 31, 2024.

B. Security

As of December 31, 2024 and 2023, the Company did not provide any investment accounted for using equity method as collaterals for its loans.

(7) Property, plant and equipment

For 2024 and 2023, the movements in cost and depreciation of the property, plant and equipment were as follows:

	Land	Buildings and Construction	Machinery and equipment	Office and miscellaneous equipment	Leasehold improvements	Unfinished construction and equipment under acceptance	Total
Cost:							
Balance on January 1, 2024	\$ 6,971	49,758	95,403	51,096	41,521	-	244,749
Additions	-	-	-	363	-	-	363
Disposal	-	-	(571)	(116)	-	-	(687)
Balance on December 31, 2024	<u>\$ 6,971</u>	<u>49,758</u>	<u>94,832</u>	<u>51,343</u>	<u>41,521</u>	<u>-</u>	<u>244,425</u>
Balance on January 1, 2023	\$ 6,971	49,758	95,403	49,634	41,521	330	243,617
Additions	-	-	-	3,758	-	-	3,758
Disposal	-	-	-	(2,626)	-	-	(2,626)
Reclassification	-	-	-	330	-	(330)	-
Balance on December 31, 2023	<u>\$ 6,971</u>	<u>49,758</u>	<u>95,403</u>	<u>51,096</u>	<u>41,521</u>	<u>-</u>	<u>244,749</u>
Accumulated depreciation:							
Balance on January 1, 2024	\$ -	30,333	61,824	38,917	29,018	-	160,092
Depreciation for the period	-	1,500	18,485	5,599	6,272	-	31,856
Disposal	-	-	(571)	(116)	-	-	(687)
Balance on December 31, 2024	<u>\$ -</u>	<u>31,833</u>	<u>79,738</u>	<u>44,400</u>	<u>35,290</u>	<u>-</u>	<u>191,261</u>
Balance on January 1, 2023	\$ -	28,712	43,013	35,024	19,990	-	126,739
Depreciation for the period	-	1,621	18,811	6,519	9,028	-	35,979
Disposal	-	-	-	(2,626)	-	-	(2,626)
Balance on December 31, 2023	<u>\$ -</u>	<u>30,333</u>	<u>61,824</u>	<u>38,917</u>	<u>29,018</u>	<u>-</u>	<u>160,092</u>
Carrying amounts:							
Balance on December 31, 2024	<u>\$ 6,971</u>	<u>17,925</u>	<u>15,094</u>	<u>6,943</u>	<u>6,231</u>	<u>-</u>	<u>53,164</u>
Balance on January 1, 2023	<u>\$ 6,971</u>	<u>21,046</u>	<u>52,390</u>	<u>14,610</u>	<u>21,531</u>	<u>330</u>	<u>116,878</u>
Balance on December 31, 2023	<u>\$ 6,971</u>	<u>19,425</u>	<u>33,579</u>	<u>12,179</u>	<u>12,503</u>	<u>-</u>	<u>84,657</u>

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD
Notes to the Financial Statements

As of December 31, 2024 and 2023, the Company's property, plant and equipment were pledged to secure long-term bank loans; please refer to note 8 for details.

(8) Right-of-use assets

The Company leases many assets including buildings and structures; the cost and depreciation were as follows:

	<u>Buildings and Construction</u>
Costs of right-of-use assets:	
Balance on January 1, 2024	28,223
Additions	<u>18,458</u>
Balance on December 31, 2024	<u>\$ 46,681</u>
Balance on January 1, 2023	
(Equivalent to balance on December 31, 2023)	<u>\$ 28,223</u>
Accumulated depreciation of right-of-use assets:	
Balance on January 1, 2024	\$ 24,930
Depreciation for the year	<u>5,857</u>
Balance on December 31, 2024	<u>\$ 30,787</u>
Balance on January 1, 2023	\$ 19,286
Depreciation for the year	<u>5,644</u>
Balance on December 31, 2023	<u>\$ 24,930</u>
Carrying amounts:	
Balance on December 31, 2024	<u>\$ 15,894</u>
Balance on January 1, 2023	<u>\$ 8,937</u>
Balance on December 31, 2023	<u>\$ 3,293</u>

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD
Notes to the Financial Statements

(9) Intangible assets

For 2024 and 2023, the costs and amortization of the Company's intangible assets were as follows:

	<u>Software</u>
Cost:	
Balance on January 1, 2024	
(Equivalent to balance on December 31, 2024)	\$ <u><u>2,160</u></u>
Balance on January 1, 2023	\$ 2,095
Additions	<u>65</u>
Balance on December 31, 2023	\$ <u><u>2,160</u></u>
Accumulated amortization :	
Balance on January 1, 2024	\$ 2,119
Amortization for the year	<u>33</u>
Balance on December 31, 2024	\$ <u><u>2,152</u></u>
Balance on January 1, 2023	\$ 2,058
Amortization for the year	<u>61</u>
Balance on December 31, 2023	\$ <u><u>2,119</u></u>
Carrying value	
Balance on December 31, 2024	\$ <u><u>8</u></u>
Balance on January 1, 2023	\$ <u><u>37</u></u>
Balance on December 31, 2023	\$ <u><u>41</u></u>

A. Amortization

The amortization of intangible assets is included in the following line items of the comprehensive income statement as follows:

	<u>2024</u>	<u>2023</u>
Cost of sales	\$ 33	43
Operating expenses	<u>-</u>	<u>18</u>
	\$ <u><u>33</u></u>	<u><u>61</u></u>

B. Security

As of December 31, 2024 and 2023, none of the Company's intangible assets was pledged as security.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD
Notes to the Financial Statements

(10) Other financial assets

The Company's other financial assets are detailed as follows:

	December 31, 2024	December 31, 2023
Restricted bank deposits	\$ 3,279	4,361
Time deposits—more than 3 months	32,785	187,134
	<u>\$ 36,064</u>	<u>191,495</u>

Restricted bank deposits are mainly funds remitted to foreign currency deposit account and time deposits pledged to secure bank loans. Time deposits with original maturity of more than 3 months do not qualify as cash and cash equivalents.

For the restricted bank deposits pledged as security, please refer to note 8. As of December 31, 2024 and 2023, no impairment has been recognized for other financial assets. Additionally, please refer to note 6(23) for credit risk and market risk associated with other financial assets.

(11) Short-term borrowings

The short-term borrowings were summarized as follows:

	December 31, 2024	December 31, 2023
Secured bank loans	\$ -	-
Unused short-term credit lines	<u>\$ 276,173</u>	<u>258,493</u>
Range of interest rates	<u>-</u>	<u>-</u>

For the collateral for short-term borrowings, please refer to note 8.

(12) Other current liabilities

The Company's other current liabilities were as follows:

	December 31, 2024	December 31, 2023
Advance molding payment	\$ 4,714	4,640
Temporary credits	1,491	1,398
Receipts under custody	435	450
	<u>\$ 6,640</u>	<u>6,488</u>

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD
Notes to the Financial Statements

(13) Long-term borrowings

The details were as follows:

December 31, 2024			
	Rate	Maturity year	Amount
Secured bank loans	0.72%~1.875%	October 2025 to November 2029	\$ 119,837
Less: current portion			(58,750)
Government grants			<u>(440)</u>
			\$ 60,647
Unused long-term credit lines			<u><u>\$ -</u></u>
December 31, 2023			
	Rate	Maturity year	Amount
Secured bank loans	0.47%	October 2025 to November 2029	\$ 184,474
Less: current portion			(64,637)
Government grants			<u>(1,796)</u>
			\$ 118,041
Unused long-term credit lines			<u><u>\$ -</u></u>

A. Government low-interest loans

As of December 31, 2024 and 2023, the differences between the amounts and fair values of the preferential low-interest loans granted by the government under the "Plan of Welcoming Overseas Taiwanese Businesspersons to Invest in Taiwan" were considered government grants; please refer to note 6(15) for details.

B. Collateral for bank loans

For the collateral for long-term borrowings, please refer to note 8.

(14) Lease liabilities

The carrying amounts of the Company's lease liabilities were as follows:

	December 31, 2024	December 31, 2023
Current	\$ 6,070	3,420
Non-current	<u>9,899</u>	<u>-</u>
	\$ 15,969	3,420

For the maturity analysis, please refer to note 6(23).

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD
Notes to the Financial Statements

The amounts recognized in profit or loss were as follows:

	2024	2023
Interest on lease liabilities	\$ <u>171</u>	<u>71</u>
Expenses relating to short-term leases	\$ <u>10</u>	<u>3</u>

The amounts recognized in the statement of cash flows for the Company were as follows:

	2024	2023
Total cash outflow for leases	\$ <u>6,090</u>	<u>5,883</u>

A. Buildings and structures leases

The Company leases buildings and structures for office spaces and plants, with a lease term of 5 years.

B. Other leases

The Company also leases dormitory with contract terms of one to three years. These leases are short-term. The Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

(15) Deferred revenues

	December 31, 2024	December 31, 2023
Deferred revenues - Government grants	\$ <u>440</u>	<u>1,796</u>
Current	\$ 378	1,356
Non-current	<u>62</u>	440
	\$ <u>440</u>	<u>1,796</u>

As of December 31, 2024 and 2023, the Company's government preferential low-interest loans under the "Plan of Welcoming Overseas Taiwanese Businesspersons to Invest in Taiwan" amounted to \$119,837 thousand and \$184,474 thousand, and the fair values thereof amounted to \$119,397 thousand and \$182,678 thousand, respectively. The differences between the amounts and fair values of the loans, amounting to \$440 thousand and \$1,796 thousand respectively, were considered to be government grants through low-interest loans and recognized as deferred revenues. As of December 31, 2024 and 2023, the Company's revenues from government grants amounted to \$1,356 thousand and \$1,967 thousand respectively, both of which were included in other revenues.

(16) Employee benefits

Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD
Notes to the Financial Statements

For 2024 and 2023, the Company recognized the pension costs of \$4,133 thousand and \$4,265 thousand respectively under the defined contribution plan. The payments have been deposited into the Bureau of Labor Insurance.

(17) Income taxes

A. Income tax expense

For 2024 and 2023, the components of income tax expenses were as follows:

	<u>2024</u>	<u>2023</u>
Current tax expense:		
Current period	\$ 14,251	30,508
Undistributed Earnings Levy	579	3,582
Adjustment for prior periods	<u>440</u>	<u>(1,878)</u>
	<u>15,270</u>	<u>32,212</u>
Deferred tax expense :		
Change in unrecognized deductible temporary differences	<u>(7,415)</u>	<u>1,794</u>
<input checked="" type="checkbox"/> Income taxes	<u><u>\$ 7,855</u></u>	<u><u>34,006</u></u>

For 2024 and 2023, none of the amounts of income tax expenses have been recognized in other comprehensive income.

For 2024 and 2023, reconciliations of income tax expenses and pre-tax profits were as follows:

	<u>2024</u>	<u>2023</u>
Profit before income tax	<u>\$ 90,502</u>	<u>182,835</u>
Income tax using the Company's domestic tax rate	\$ 18,100	36,567
Effect of tax rates in foreign jurisdiction	13	615
Other tax adjustments made pursuant to tax laws	(257)	(253)
Change in unrecognized temporary differences	(5,426)	(4,627)
Overestimate of prior-year income taxes	440	(1,878)
Undistributed earnings Levy	579	3,582
Subsidiary reduces capital to offset losses	(7,846)	-
Recognition of income from controlled foreign corporations	<u>2,252</u>	<u>-</u>
Total	<u><u>\$ 7,855</u></u>	<u><u>34,006</u></u>

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD
Notes to the Financial Statements

B. Deferred tax assets and liabilities

(a) Unrecognized deferred tax liabilities

The consolidated entity is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2024 and 2023. Also, management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax liabilities. Details are as follows:

	December 31, 2024	December 31, 2023
Aggregated amount of temporary differences related to investments in subsidiaries	\$ <u>499,834</u>	<u>449,571</u>
Unrecognized deferred tax liabilities	\$ <u>99,967</u>	<u>89,914</u>

(b) Recognized deferred tax assets and abilities

Changes in the amounts of deferred tax assets and liabilities for 2024 and 2023 were as follows:

	Liabilities arising from compensated absences	Allowance to reduce inventory to market	Other	Total
Deferred tax assets:				
Balance at January 1, 2024	\$ 832	400	79	1,311
(Debit) credit in income statement	<u>(426)</u>	<u>24,769</u>	<u>(23)</u>	<u>24,320</u>
Balance at December 31, 2024	\$ <u>406</u>	<u>25,169</u>	<u>56</u>	<u>25,631</u>
Balance at January 1, 2023	\$ 693	252	140	1,085
(Debit) credit in income statement	<u>139</u>	<u>148</u>	<u>(61)</u>	<u>226</u>
Balance at December 31, 2023	\$ <u>832</u>	<u>400</u>	<u>79</u>	<u>1,311</u>
		Unrealized foreign exchange gains		
	Equity- accounted investments		Total	
Deferred Tax Liabilities:				
Balance at January 1, 2024	\$ 11,497	3,371		14,868
Debit (credit) in income statement	<u>5,426</u>	<u>11,479</u>		<u>16,905</u>
Balance at December 31, 2024	\$ <u>16,923</u>	<u>14,850</u>		<u>31,773</u>
Balance at January 1, 2023	\$ 6,870	5,978		12,848
Debit in income statement	<u>4,627</u>	<u>(2,607)</u>		<u>2,020</u>
Balance at December 31, 2023	\$ <u>11,497</u>	<u>3,371</u>		<u>14,868</u>

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD
Notes to the Financial Statements

B. Assessment of tax

The Company's income tax returns had been assessed by the tax authorities through 2021.

(18) Capital and other equity

As of December 31, 2024 and 2023, the Company's authorized share capital amounted to \$1,000,000 thousand (of which \$100,000 thousand is for issuing employee share option warrants), divided into 100,000 thousand shares with a par value of \$10 per share. The aforesaid authorized share capital consists of ordinary shares only, and the issued ordinary shares were 61,175 thousand shares as of both dates. All issued shares were paid up upon issuance.

A. Capital surplus

The balances of capital surplus as of December 31, 2024 and 2023, were as follows:

	December 31, 2024	December 31, 2023
Share premium	\$ 668,486	668,486
Gains on disposal of assets	207	207
Changes in ownership interests in subsidiaries	985	985
	<u>\$ 669,678</u>	<u>669,678</u>

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

B. Retained earnings

The Company's Articles of Incorporation stipulates that Company's net earnings shall first be used to offset prior years' losses, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, unless the amount in the legal reserve has already reached the Company's paid-in capital. In addition, special reserve shall be appropriated according to related regulations and the Company's operating needs, after which any remaining profit, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the shareholders' meeting for approval.

The amount of share dividends is determined based on the Company's earnings accumulated in the current and prior years, taking into account the Company's profitability, capital structure, and future operating requirements. The dividend distribution policy is to pay dividends by means of a combination of share dividend and cash dividend taking into consideration capital requirement and diluted earnings per share, and the cash dividend shall be no less than 20% of the amount of the dividend distribution.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD

Notes to the Financial Statements

The types and ratios of the above-mentioned earnings distribution are adjusted pursuant to resolution of a shareholders' meeting based on the actual profit and capital for the year.

(a) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

(b) Special reserve

In accordance with the requirements issued by the FSC, a portion of current period earnings and undistributed prior period earnings shall be reclassified as a special earnings reserve during earnings distribution. The special earnings reserve will be recognized from the profit after income tax of the current period plus other current earnings and the undistributed retained earnings of the previous period. The net reduction of other shareholders' equity accumulated in the previous period shall be recognized from the undistributed retained earnings and shall not be distributed. Amounts of subsequent reversals of the net reduction from other shareholders' equity shall qualify for earnings distribution. As of December 31, 2024 and 2023, the balances of special reserve were \$148,454 thousand and \$130,082 thousand, respectively.

(c) Earnings distribution

On March 12, 2024, the 2023 earnings appropriation was resolved in a board meeting. On March 15, 2023, the 2022 earnings appropriation was resolved in a shareholders' general meeting. Dividends were distributed to owners as follows:

	2023		2022	
	<u>Amount per share</u>	<u>Total amount</u>	<u>Amount per share</u>	<u>Total amount</u>
Dividends distributed to ordinary shareholders:				
Cash	\$ 1.70	<u>103,998</u>	2.00	<u>122,350</u>

On February 25, 2025, the Company's Board of Directors resolved the 2024 earnings appropriation. Dividends were distributed to owners as follows:

	2024	
	<u>Amount per share</u>	<u>Total amount</u>
Dividends distributed to ordinary shareholders:		
Cash	\$ 0.80	<u>48,940</u>

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD

Notes to the Financial Statements

(19) Earnings per share

A. Basic earnings per share

As of December 31, 2024 and 2023, the calculation of basic earnings per share was based on the profits of \$82,647 thousand and \$148,829 thousand attributable to the Company's ordinary shareholders, and the weighted-average numbers of outstanding ordinary shares of 61,175 thousand shares as of both dates. The details were as follows:

(a) Profit attributable to ordinary shareholders of the Company

	<u>2024</u>	<u>2023</u>
Profit attributable to ordinary shareholders of the Company	\$ <u>82,647</u>	<u>148,829</u>

(b) Weighted average number of ordinary shares

	<u>2024</u>	<u>2023</u>
Weighted average number of ordinary shares (in thousands)	<u>61,175</u>	<u>61,175</u>
Basic earnings per share(NT dollars)	\$ <u>1.35</u>	<u>2.43</u>

B. Diluted earnings per share

As of December 31, 2024 and 2023, the calculation of diluted earnings per share was based on the profits of \$82,647 thousand and \$148,829 thousand attributable to the Company's ordinary shareholders, and the weighted-average numbers of ordinary shares outstanding after adjusting the effects of all dilutive potential ordinary shares of 61,484 thousand shares and 61,714 thousand shares, respectively. The details were as follows:

(a) Profit attributable to ordinary shareholders of the Company (diluted)

	<u>2024</u>	<u>2023</u>
Profit attributable to ordinary shareholders of the Company (diluted)	\$ <u>82,647</u>	<u>148,829</u>

(b) Weighted-average number of ordinary shares outstanding (diluted)

	<u>2024</u>	<u>2023</u>
Weighted average number of ordinary shares (basic) (thousands)	61,175	61,175
Effect of dilutive potential ordinary shares		
Effect of employee share bonus	<u>309</u>	<u>539</u>
Weighted average number of ordinary shares (diluted) at December 31	<u>61,484</u>	<u>61,714</u>
Diluted earnings per share (NT dollars)	\$ <u>1.34</u>	<u>2.41</u>

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD
Notes to the Financial Statements

(20) Revenue from contracts with customers

A. Disaggregation of revenue

	<u>2024</u>	<u>2023</u>
<u>Primary geographical markets</u>		
Taiwan	\$ 445,978	520,019
The United States	233,908	380,996
Japan	32,899	30,409
China	21,536	18,609
Other countries	<u>122,720</u>	<u>238,315</u>
	<u><u>\$ 857,041</u></u>	<u><u>1,188,348</u></u>
 <u>Major products/services lines</u>		
Backlight modules	\$ 737,256	1,077,353
Other	<u>119,785</u>	<u>110,995</u>
	<u><u>\$ 857,041</u></u>	<u><u>1,188,348</u></u>

B. Contract balances

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Contract liabilities	<u><u>\$ 770</u></u>	<u><u>2,260</u></u>	<u><u>3,150</u></u>

The amount of revenue recognized for the years ended December 31, 2024 and 2023 that was included in the contract liability balance at the beginning of the period were \$1,811 thousand and \$2,825 thousand, respectively.

(21) Remunerations of employees, directors, and supervisors

The Company's Articles of Incorporation stipulate that if the Company has profits for the year, then 2% to 10% thereof shall be set aside as employee remuneration, and a maximum of 2% shall be set aside as the remuneration of directors and supervisors. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and supervisor and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For 2024 and 2023, the Company's employee remunerations were estimated at \$5,902 thousand and \$14,064 thousand, and director and supervisor remunerations were estimated at \$1,967 thousand and \$4,018 thousand, respectively. The estimates mentioned above were calculated based on the Company's pre-tax profit (before deducting the remunerations of employees, directors and supervisors for each period), multiplied by the percentages of remunerations of employees, directors and supervisors as specified in the Company's Articles of Incorporation. These remunerations were expensed under operating costs or operating expenses for 2024 and 2023.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD
Notes to the Financial Statements

The amounts, as stated in the parent company only financial statements, are identical to those of the actual distributions for 2024 and 2023. Related information would be available at the Market Observation Post System website.

(22) Non-operating income and expenses

A. Interest income

The interest incomes for 2024 and 2023 are detailed as follows:

	2024	2023
Interest income from bank deposits	\$ 42,006	40,044
Other interest income	5,155	5,698
	\$ 47,161	45,742

B. Other income

Other incomes for 2024 and 2023 are detailed as follows:

	2024	2023
Government grants income	\$ 1,356	1,967
Other income	888	4,116
	\$ 2,244	6,083

C. Other gains and losses

Other gains and losses for 2024 and 2023 were detailed as follows:

	2024	2023
Gains on disposals of property, plant and equipment	\$ 1,294	1,284
Foreign exchange gains	73,049	4,848
	\$ 74,343	6,132

D. Finance costs

For 2024 and 2023, the Company's finance costs were as follows:

	2024	2023
Interest expense on bank deposits	\$ 2,438	3,189
Implicit interest on leases	171	71
	\$ 2,609	3,260

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD
Notes to the Financial Statements

(23) Financial instruments

A. Credit risk

(a) The maximum exposure to credit risk

As at reporting date, the Company's exposure to credit risk and the maximum exposure were mainly from: :

- The carrying amount of financial assets and contract assets recognized in the consolidated balance sheet; and
- The amount of liabilities as a result from the Company providing financial guarantees to its customers was \$163,925 thousand and \$212,479thousand).

(b) Concentration of credit risk

Implicit credit risk of the Company is inherent in its cash and trade receivables. The cash is deposited in different financial institutions. The Company manages the credit risk exposure with each of these financial institutions and believes that cash do not have a significant credit risk concentration.

The major customers of the Company are centralized in the electronics industry. To minimize credit risk, the Company periodically evaluates the Company's financial positions and the possibility of collecting trade receivables.

Besides, the Consolidated Company monitors and reviews the recoverable amount of the trade receivables to ensure the uncollectible amount are recognized appropriately as impairment loss.

As of December 31, 2024 and 2023, 25% and 35%, respectively, of account receivables were due to 1 customer. Thus, credit risk is significantly concentrated.

(c) Credit risk on receivables

For credit risk exposure of accounts receivable, please refer to note 6(3).

Other financial assets at amortized cost includes other receivables and investments in time deposits.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 month expected credit losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(6). As of December 31, 2024 and 2023, the Company's other receivables and CD (certificate of deposit) investments have no expected credit losses (ECLs).

B. Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD

Notes to the Financial Statements

	<u>Carrying amount</u>	<u>Contract ualcash flows</u>	<u>Within a year</u>	<u>1~2years</u>	<u>2~5years</u>	<u>Over 5 years</u>
December 31, 2024						
Non-derivative financial liabilities						
Secured bank loans with floating rate	\$ 119,397	121,917	59,968	50,585	11,364	-
Accounts payable (non-interest-bearing)	110,627	110,627	110,627	-	-	-
Other payables (non-interest-bearing)	48,985	48,985	48,985	-	-	-
Lease liabilities (fixed interest rate)	15,969	16,430	6,360	6,360	3,710	-
	<u>\$ 294,978</u>	<u>297,959</u>	<u>225,940</u>	<u>56,945</u>	<u>15,074</u>	<u>-</u>
December 31, 2023						
Non-derivative financial liabilities						
Secured bank loans with floating rate	\$ 182,678	188,118	65,776	60,371	58,763	3,208
Accounts payable (non-interest-bearing)	135,109	135,109	135,109	-	-	-
Other payables (non-interest-bearing)	74,213	74,213	74,213	-	-	-
Lease liabilities (fixed interest rate)	3,420	3,430	3,430	-	-	-
	<u>\$ 395,420</u>	<u>400,870</u>	<u>278,528</u>	<u>60,371</u>	<u>58,763</u>	<u>3,208</u>

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

+C. Exposure to currency risk

(a) Exposure to currency risk

The Company's significant exposure to foreign currency risk was as follows:

(In thousands of foreign currencies)

	<u>December 31, 2024</u>			<u>December 31, 2023</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	US\$ 34,465	32.785	1,129,935	39,915	30.71	1,225,590
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	US\$ 3,997	32.785	131,042	5,249	30.71	161,171

(b) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts and other receivables, borrowings and accounts and other payables that are denominated in foreign currency. An appreciation (depreciation) of 1% of the NTD against USD as of December 31, 2024 and 2023, with all other variables remaining constant, would have increased or decreased profits after tax by \$7,991 thousand and \$8,515 thousand, respectively. The analysis is performed on the same basis for prior year.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD
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3) Foreign exchange gain and loss on monetary items

Since the Company has many kinds of functional currencies, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For 2024 and 2023, net foreign exchange gains (losses) (including realized and unrealized portions), please refer to note 6(22).

D. Interest rate analysis

The Company's interest rate exposure associated with financial assets and financial liabilities have been elaborated in the liquidity risk management section of this note.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

If the interest rate had increased/decreased by 1%, the Company's profit after tax would have decreased/increased by \$5,619 thousand and \$4,461 thousand for 2024 and 2023 respectively, with all other variable factors remaining constant. This is mainly due to the Company's borrowings at variable rates.

E. Fair value information

(a) Categories and fair values of financial instruments

The fair value of financial assets and liabilities at fair value through profit or loss, financial instruments used for hedging, and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD
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December 31, 2024					
	Book Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Unlisted common shares	\$ <u>9,246</u>	-	-	9,246	9,246
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 929,149	-	-	-	-
Accounts receivable	205,975	-	-	-	-
Other receivables from related parties (excluding tax refunds receivable)	4,093	-	-	-	-
Other financial assets—current	36,064	-	-	-	-
Other financial assets—non-current	<u>1,102</u>	-	-	-	-
Subtotal	\$ <u><u>1,176,383</u></u>	-	-	-	-
Financial liabilities measured at amortized cost					
Trade payables to related parties	\$ 110,627	-	-	-	-
Other payables to related parties	48,985	-	-	-	-
Long-term borrowings (including current portion)	119,397	-	-	-	-
Lease liabilities (current and non-current)	<u>15,969</u>	-	-	-	-
	\$ <u><u>294,978</u></u>	-	-	-	-
December 31, 2023					
	Book Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Domestic unlisted stocks	\$ <u>9,334</u>	-	-	9,334	9,334
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 712,568	-	-	-	-
Trade receivable	257,296	-	-	-	-
Other receivables from related parties (excluding tax refunds receivable)	97,028	-	-	-	-
Other financial assets—current	191,495	-	-	-	-
Other financial assets—non-current	<u>1,003</u>	-	-	-	-
	\$ <u><u>1,259,390</u></u>	-	-	-	-
Financial liabilities measured at amortized cost					
Accounts payable	\$ 135,109	-	-	-	-
Other payables (to related parties)	74,213	-	-	-	-
Long-term borrowings (including current portion)	182,678	-	-	-	-
Lease liabilities (current and non-current)	<u>3,420</u>	-	-	-	-
Subtotal	\$ <u><u>395,420</u></u>	-	-	-	-

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD

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(b) Valuation techniques for financial instruments not measured at fair value

The Company's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

Financial liabilities measured at amortized cost, if there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

(c) Transfers between Level 1 and Level 2

During 2024 and 2023, there was no transfer.

(d) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
	Unquoted equity instruments
January 1, 2024	\$ 9,334
In other comprehensive income	(88)
December 31, 2024	\$ 9,246
January 1, 2023	\$ 15,406
In other comprehensive income	(6,072)
December 31, 2023	\$ 9,334

(e) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Company's financial instruments that use Level 3 inputs to measure fair value include fair value through other comprehensive income-equity investments.

Most equity investments with a level 3 fair value but without an active market have multiple significant unobservable inputs. The significant unobservable inputs of the equity investments without an active market are independent, therefore, there is no correlation between them.

For the Company's unquoted equity instruments that are not intended for short-term trading, management has obtained the latest financial statements of the investee, evaluated industry development, and reviewed accessible public information. Accordingly, the Company reviews and evaluate the investee's operational situation of the current and future years, so as to assess the fair value of the investee. In general, changes in industry and market prospects are highly correlated with changes in the operations and future business performance of the investee.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD
Notes to the Financial Statements

Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets at FVOCI—equity investments without an active market	Net Asset Value Method	<ul style="list-style-type: none"> • Net Asset Value • Minority interest discounts (21.88% as of December 31, 2024 and 2023) 	<ul style="list-style-type: none"> • The higher the net asset value, the higher the fair value. • The higher the equity discount, the lower the fair value.

- (f) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

For fair value measurements in Level 3, changing one or more of the assumptions by 1% to reflect reasonably possible alternative assumptions would have the following effects:

<u>Input</u>	<u>Upward or downward movement</u>	<u>Changes in other comprehensive income arising from changes in fair value</u>	
		<u>Favorable</u>	<u>Unfavorable</u>
December 31, 2024			
Minority interest discount ratio of 21.88%	1%	118	118
December 31, 2023			
Minority interest discount ratio of 21.88%	1%	119	119

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(24) Financial risk management

A. Overview

The Company have exposures to the following risks from its financial instruments:

- (a) Credit risk
- (b) Liquidity risk
- (c) Market risk

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD

Notes to the Financial Statements

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

B. Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Company's Planning Department, which is responsible for developing and controlling the Company's risk management policies, periodically reports to the Board of Directors on its operation.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

C. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposures to credit risk mainly arise from receivables due to customers and other receivables.

(a) Accounts and other receivables

The Company has established a credit policy, under which every new customer's credit rating shall be analyzed before granting delivery and payment terms. The Company reviews external ratings, customers' general information, and other information. The Company grants credit line for each customer and carries out periodical reviews thereafter.

Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

The Company has an allowance account for impairment to reflect the estimate of the losses on accounts receivable and other receivables that may be incurred.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD

Notes to the Financial Statements

(b) Investments

The exposure to credit risk for the bank deposits and other financial instruments is measured and monitored by the Company's finance department. The Company only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Company does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

(c) Guarantees

The Company's policy is to provide financial guarantees only to wholly owned subsidiaries. At December 31, 2024 and 2023, the amount of guarantee provided to subsidiaries was \$163,925 thousands and \$212,479 thousands.

D. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows.

As of December 31, 2024 and 2023, the unused credit lines amounted to \$276,173 thousand and \$258,493 thousand, respectively.

E. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Currency risk

The Company's exposure to currency risk is on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Company, primarily the New Taiwan Dollars (TWD). The Company stay informed of international currency trend to adjust quotations for exporting. In addition, the Company keeps applying natural hedge to a substantial portion of its foreign currency receivables and payables to avoid currency risk.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD

Notes to the Financial Statements

(b) Interest rate risk

The Company manages interest rate risk by maintaining an adequate combination of fixed and variable interest rates as well as utilizing interest rate swaps. The Company periodically assesses hedging activities to align its view on interest rate to certain risk appetite, so as to ascertain the hedging strategy that conforms to the cost effectiveness.

(c) Other market price risk

The Company is not exposed to equity price risk due to the investments in equity securities.

(25) Capital management

The Company's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

The Company and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

The Company held the same capital management strategy for 2024 and 2023. The Company's debt-to-equity ratio at the end of the reporting period as of December 31, 2024 and 2023, is as follows:

	December 31, 2024	December 31, 2023
Total liabilities	\$ 334,601	451,056
Less: cash and cash equivalents	<u>929,149</u>	<u>712,568</u>
Net debt	<u>\$ (594,548)</u>	<u>(261,512)</u>
Total equity	<u>\$ 1,896,722</u>	<u>1,884,496</u>
Adjusted equity	<u>\$ 1,302,174</u>	<u>1,622,984</u>
Debt-to-equity ratio at 31 December	<u>(45.66)%</u>	<u>(16.11)%</u>

As of December 31, 2024 the debt-to-equity ratio decreased, mainly due to decrease in net liabilities arising from increase in cash and cash equivalents.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD
Notes to the Financial Statements

(26) Investing and financing activities not affecting current cash flow

The Company's reconciliation of liabilities arising from financing activities was as follows:

	<u>January 1, 2024</u>	<u>Cash flows</u>	<u>Non-cash changes Other changes</u>	<u>December 31, 2024</u>
Long-term borrowings (including deferred revenues and current portion)	\$ 184,474	(64,637)	-	119,837
Lease liabilities	3,420	(5,909)	18,458	15,969
Total liabilities from financing activities	<u>\$ 187,894</u>	<u>(70,546)</u>	<u>18,458</u>	<u>135,806</u>

	<u>January 1, 2023</u>	<u>Cash flows</u>	<u>December 31, 2023</u>
Long-term borrowings (including deferred revenues and current portion)	\$ 250,288	(65,814)	184,474
Lease liabilities	9,229	(5,809)	3,420
Total liabilities from financing activities	<u>\$ 259,517</u>	<u>(71,623)</u>	<u>187,894</u>

7 Related-party transactions

(1) Names and relationship with the Company

The followings are entities that have had transactions with related party during the periods covered in the parent company only financial statements.

<u>Name of related party</u>	<u>Relationship with the Company</u>
Fair Some Industrial Limited (Fair Some (Hong Kong))	The Company's director is the entity's owner
Dongguan Fair Lumi Optronics Co., Ltd. (Dongguan Fair Lumi)	The subsidiary of the Company
Dongguan Shian Yih Electronic Co., Ltd. (Dongguan Shian Yih)	The subsidiary of the Company
Chian Yih Optotech Co., Ltd. (Chian Yih Optotech)	The subsidiary of the Company

(2) Significant transactions with related parties

A. Operating revenue

For 2024 and 2023, raw materials are sold to subsidiaries, which are processed and produced, and the finished goods are repurchased by the company through triangular trade and resold to customers of the company. Among them, the transactions of raw material sales and repurchase have been written off by \$- thousand and \$43 thousand in 2024 and 2023 respectively, and are not regarded as purchases and sales.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD

Notes to the Financial Statements

In addition to the above-mentioned triangular trade to offset the amount that is not considered as sales, the amounts of significant sales by the Company to related parties were as follows:

	2024	2023
Subsidiaries	\$ <u>3,705</u>	<u>-</u>

The sales price of the company's sales to its subsidiaries cannot be compared with general sales due to product differences. The payment method for subsidiaries is determined according to the working capital status of the group °

B. Purchases

The amounts of significant purchases by the Company from related parties were as follows:

	2024	2023
Subsidiaries:		
Dongguan Shian Yih	\$ 321,217	331,056
Dongguan Fair Lumi	<u>259,225</u>	<u>370,425</u>
	\$ <u>580,442</u>	<u>701,481</u>

The terms and pricing of purchase transactions with related parties were not significantly different from those offered by other vendors. The payment terms ranged from one to two months, which were no different from the payment terms given by other vendors.

C. Accounts receivable from related parties

The details of the Company's receivables from related parties were as follows:

Account	Relationship	December 31, 2024	December 31, 2023
Other trade receivable	Subsidiaries	\$ <u>938</u>	<u>536</u>

As of December 31, 2024 and 2023, other receivables - subsidiaries are receivables arising from the collection of manpower support funds from subsidiaries and the advance payment of transportation expenses on behalf of subsidiaries.

D. Accounts payable to related parties

The details of payable from related parties were as follows:

Account	Relationship	December 31, 2024	December 31, 2023
Trade payable	Subsidiaries:		
	Dongguan Shian Yih	\$ 56,727	47,472
	Dongguan Fair Lumi	46,038	44,129
Other trade payable	Subsidiaries:		
	Dongguan Fair Lumi	21,335	28,753
Other trade payable	Others	<u>291</u>	<u>269</u>
		\$ <u>124,391</u>	<u>120,623</u>

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD
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As of December 31, 2024 and 2023, other payables - Subsidiaries are the payables arising from the company's purchase of mold kernels from subsidiaries and the export expenses which payed on behalf by the subsidiaries; other payables - Other related parties are other payables arising from payment of customs declaration fees by other related parties on behalf of related parties.

E. Guarantees and endorsements

December 31, 2024 and 2023, the amount of endorsement guarantee provided by the Company for Dongguan Kesheng's loan from the bank and the issuance of the letter of credit is \$32,785 thousand and \$52,813 thousand, respectively. The amount of endorsement guarantee provided by Dongguan Xianyi for borrowing from the bank and issuing the letter of credit is \$131,140 thousand and \$159,666 thousand, respectively.

F. Loans to Related Parties

The loans to related parties were as follows:

	December 31, 2024	December 31, 2023
Subsidiaries:		
Dongguan Shian Yih	-	92,115
	\$ -	92,115

The interest charged by the Company to related parties is based on the average interest rate charged by financial institutions on the Company's borrowings. The loans to related parties are unsecured. There are no expected credit loss required after the management's assessment.

Details of interest income and receivables are as follows:

	Interest income		other receivables - related parties	
	2024	2023	December 31, 2024	December 31, 2023
Subsidiaries:				
Dongguan Shian Yih	\$ 160	4,189	-	555
Dongguan Fair Lumi	-	1,509	-	-
	\$ 160	5,698	-	555

(Continued)

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Notes to the Financial Statements

(3) Key management personnel compensation

Key management personnel compensation comprised:

	2024	2023
Short-term employee benefits	\$ 10,101	12,658
Post-employment benefits	304	277
Termination benefits	-	-
Other long-term benefits	-	-
Share-based payments	-	-
	<u>\$ 10,405</u>	<u>12,935</u>

8 Assets pledged as security:

The carrying values of assets pledged as security were as follows:

Assets pledged as security	Liabilities secured by pledge	December 31, 2024	December 31, 2023
Other financial assets — current	Loan guarantee	\$ 3,279	4,361
Land	Loan guarantee	2,951	2,951
Buildings	Loan guarantee	17,925	19,425
Machinery and equipment	Loan guarantee	2,178	7,948
		<u>\$ 26,333</u>	<u>34,685</u>

9 Commitments and contingencies: None

10 Losses due to major disasters: None

11 Subsequent events: None

12 Other:

(1) A summary of employee benefits, depreciation, and amortization, by function, is as follows:

By item	2024			2023		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	31,090	45,712	76,802	36,074	59,172	95,246
Labor and health insurance	3,271	4,925	8,196	3,664	4,960	8,624
Pension	1,525	2,608	4,133	1,698	2,567	4,265
Remuneration of directors	-	6,358	6,358	-	8,396	8,396
Others	1,434	1,305	2,739	1,680	1,125	2,805
Depreciation	35,233	2,480	37,713	38,371	3,252	41,623
Amortization	33	-	33	43	18	61

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Notes to the Financial Statements

Additional information on the number of the Company's employees and the average employee benefit expenses of the Company for the years ended December 31, 2024 and 2023 were as follows:

	2024	2023
Number of employees	<u>111</u>	<u>118</u>
The number of directors who do not serve concurrently as employees	<u>6</u>	<u>6</u>
Average employee benefit expense	\$ <u>875</u>	<u>902</u>
Average employee salary cost	\$ <u>731</u>	<u>774</u>
Adjustment of average employee salary expenses	<u>(5.56)%</u>	<u>(4.33)%</u>
supervisor's remuneration	\$ <u>-</u>	<u>683</u>

The Company's salary and remuneration policy (including directors, managers and employees) information is as follows:

A. Director

- (a) Independent directors: according to the resolution of the board of directors, pay the traveling expenses and pay the fixed salary every time they attend the board meeting.
- (b) General directors' remuneration shall be paid according to the company's articles of association, according to their participation in the company's operations and contribution value, and with reference to the industry's usual level. According to the resolution of the board of directors, pay the traveling expenses according to each meeting attended by the board of directors.
- (c) Director remuneration : The Company's Articles of Incorporation stipulate that if the Company has profits for the year, no more than 2% should be set aside for directors' remuneration . However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. Independent directors do not participate in distribution .

B. Supervisors and employees

- (a) Remuneration is divided into fixed salary and variable salary. The fixed salary is handled in accordance with the company's "Salary Management Measures" and is approved according to the job description and professional ability of the position ; variable salary is issued according to the company's operating conditions and work performance, including Mid-Autumn Festival bonuses, year-end bonuses and employee compensation .
- (b) The Company's Articles of Incorporation stipulate that if the Company has profits for the year, then 2% to 10% thereof shall be set aside as employee remuneration. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit.

(Continued)

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Notes to the Financial Statements

13 Other disclosures:

(1) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Company:

A. Loans to other parties:

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits (Note 2)	Maximum limit of fund financing (Note 3)
													Item	Value		
0	The Company	SHIAN YIH (DONGGUAN)	Loans receivable from related parties	Yes	256,860	131,140	-	- %	2	-	Working capital	-	No	-	474,181	758,689
0	The Company	FAIR LUMI (DONGGUAN)	Loans receivable from related parties	Yes	96,255	32,785	-	- %	2	-	Working capital	-	No	-	474,181	758,689

Note 1: Financing purposes:

- 1) Transaction counterparty
- 2) Entities with short-term financing needs

Note 2: The aggregate amount of loans to a single subsidiary shall not exceed 25% of the equity attributable to owners of parent reported in the most recent period.

Note 3: The aggregate amount of loans to a single party shall not exceed 40% of the equity attributable to owners of parent for the most recent period.

B. Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 2)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 3)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 1)										
0	The Company	FAIR LUMI (DONGGUAN)	3	758,689	64,940	32,785	-	-	1.73 %	758,689	Y	N	Y
0	The Company	SHIAN YIH (DONGGUAN)	3	758,689	259,760	131,140	-	-	6.91 %	758,689	Y	N	Y

Note1: The relationship between the guarantor and the counter-party of guarantee and endorsement is as follows:

1. Transaction counterparties.
2. An entity wherein the Company owns more than 50% voting rights, directly or indirectly.
3. The entity owning more than 50% voting rights in the Company, directly or indirectly.
4. The Company owned at least 90% of voting rights in the entity, directly or indirectly.
5. An industry peer or joint builder mutually guaranteed according to a construction contract.
6. An entity endorsed and/or guaranteed by all shareholders in proportion to shareholding in joint investment.
7. An industry peer and joint provider of performance guarantee for a presale contract pursuant to the Consumer Protection Act.

Note 2: The aggregate amount of loans to a single subsidiary shall not exceed 40% of the equity attributable to owners of parent for the most recent period.

Note 3: The the guarantees provided for other parties shall not exceed 40% of the equity attributable to owners of parent reported in the latest financial statements.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD

Notes to the Financial Statements

Note 4: According to the operating procedures of each subsidiary's endorsement guarantee, the amount of endorsement guarantee between each subsidiary company shall not exceed 40% of the latest owner's equity of each subsidiary company attributable to the parent company.

Note 5: According to the operating procedures of each subsidiary's endorsement guarantee, the total amount of external guarantees shall not exceed 40% of the most recent owner's equity of each subsidiary attributable to the parent company.

C. Securities held as of December 31, 2024 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Book value	Percentage of ownership (%)	Fair value	
The Company	Ordinary share Ying Cheng Investment Corp.	None	Financial assets at fair value through other comprehensive income— non-current	2,534	9,246	15.83 %	9,246	

D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None

E. Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None

F. Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None

G. Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	SHIAN YIH (DONGGUAN)	The Company's subsidiary	Purchase	321,217	49.72%	O/A 30 days	(Note 1)	Based on the Group's working capital	(56,727)	51.28%	
The Company	FAIR LUMI (DONGGUAN)	The Company's subsidiary	Purchase	259,225	40.13%	O/A 30 days	(Note 2)	Based on the Group's working capital	(46,038)	41.62%	
SHIAN YIH (DONGGUAN)	The Company	The Company's subsidiary	Sale	321,217	35.51%	O/A 30 days	(Note 1)	Based on the Group's working capital	56,727	22.84%	
FAIR LUMI (DONGGUAN)	The Company	The Company's subsidiary	Sale	259,225	53.06%	O/A 30 days	(Note 2)	Based on the Group's working capital	46,038	32.09%	
SHIAN YIH (DONGGUAN)	FAIR LUMI (DONGGUAN)	Associates	Purchase	106,829	19.09%	O/A 30 days	General trading terms	Based on the Group's working capital	(72,499)	29.03%	
FAIR LUMI (DONGGUAN)	SHIAN YIH (DONGGUAN)	Associates	Sale	106,829	21.87%	O/A 30 days	General trading terms	Based on the Group's working capital	72,499	50.53%	

Note 1: Calculated as 64% to 82% of selling prices of the Company's products.

Note 2: Calculated as 82% to 93% of selling prices of the Company's products.

Note 3: The above transactions were eliminated when compiling the consolidated financial statements.

H. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None

I. Trading in derivative instruments: None

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD
Notes to the Financial Statements

(2) Information on investees:

For 2024, the information about investees is as follows(excluding investees in Mainland China):

(In Thousands of USD)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2024			Net income (losses) of investee	Share of profits/losses of investee
				December 31, 2024	December 31, 2023	Shares (thousands)	Percentage of wnership	Book value		
The Company	Shian Yih (Samoa)	Samoa	Investment	348,724 (USD\$10,500)	348,724 (USD\$10,500)	10,500	100.00 %	840,682	54,254	53,658 (Note 1)
The Company	CHIAN YIH OPTOTECH CO., LTD.	Taiwan	Manufacture and sale of optical products	65,000	65,000	2,500	50.00 %	20,002	(131)	(66)
Shian Yih (Samoa)	Fair Some (Samoa)	Samoa	Investment	348,724 (USD\$10,500)	348,724 (USD\$10,500)	10,500	100.00 %	499,946 (USD\$15,249)	37,588 (USD\$1,170)	37,588 (USD\$1,170)
Shian Yih (Samoa)	Wise	Samoa	Investment	524,311 (USD\$16,650)	524,311 (USD\$16,650)	16,650	100.00 %	347,868 (USD\$10,611)	16,701 (USD\$520)	16,701 (USD\$520)

Note 1: Equity-accounted investment gains of \$54,254 thousand; the unrealized margins for the period amounted to \$596 thousand.

(3) Information on investment in mainland China:

A. The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of USD)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2024	Percentage of ownership	Investment income (losses)	Book value	Accumu-lated remittance of earnings in current period
					Outflow	Inflow					
Dongguan Fair Lumi Optronics Co., Ltd.	Manufacture and sale of small and medium-sized LED backlight modules	515,676 (USD\$(16,650))	((Note 1)	USD\$16,650 (Note 3)	-	-	USD\$16,650 (Note 3)	100 %	16,956 (USD\$528)	340,429 (USD\$10,384)	-
Dongguan Shian Yih Electronic Co., Ltd.	Manufacture and sale of small and medium-sized LED backlight modules	148,136 (USD\$(5,000))	((Note 1)	5,000 (Note 3)	-	-	USD\$5,000 (Note 3)	100 %	26,041 (USD\$811)	331,779 (USD\$10,120)	-

B. Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA (Not 5)	Upper Limit on Investment
663,812 (US\$21,650) (Note 3)	874,016 (US\$28,550)	1,138,033

Note 1: Indirect investment Mainland China through an existing company registered in the third region.

Note 2: Recognized according to investee’s audited financial statements for the same period of 2024 (USD/NTD:32.1225, translated into NTD).

Note 3: The amount represents the investment using the capital increase out of offshore investees’ earnings, rather than the funds remitted by the Company.

Note 4: Translated into New Taiwan dollars using the exchange rate (NT: 32.785) on the reporting date.

Note 5: Translated using the exchange rate on the date on which the investment was applied to the Investment Commission.

Through Fair some (Samoa), a third-region investee, the Company purchased machinery equipment at a price of US\$700 thousand. In addition, the Company established processing plants—Shian Yih Electronic Plant and Wei Yang Plastic Plant in Dongkeng Dongguan, Mainland China to engage in manufacture and processing of backlight modules, which has been reported to the Investment Commission, Ministry of Economic Affairs on December 15, 2005.

C. Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions”.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD
Notes to the Financial Statements

(4) Major shareholders:None

Shareholder's Name	Shareholding	Shares	Percentage
Hui Kai Investment Corp.		5,745,151	9.39 %
Wei-Si, Wang		3,756,815	6.14 %
Group Tranding (Somoa)		3,674,448	6.00 %

14 Segment information:

Please refer to consolidated financial statements for the year ended December 31, 2024.

Shian Yih Electronic Industry Co., Ltd
Statement of cash and cash equivalents
December 31, 2024
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Cash	Foreign currency(HKD1,320×4.222 USD-×- JPY157,000×0.2099 EUR0.00×34.14)	\$ 39
	Petty cash	550
		589
Bank deposits		
	Demand deposit	33,871
	Demand deposit on foreign Currency (USD3,077,766.61×32.785 CNY175,360.03×4.4918 JPY3,001,692×0.2099 HKD728,626.68×4.222 EUR1,449.46×34.14)	105,448
	Checking deposits on foreign Currency (HKD46,426.39×4.222)	196
	Time deposits on foreign currency (USD24,067,261×32.785)	789,045
		928,560
		<u>\$ 929,149</u>

Shian Yih Electronic Industry Co., Ltd

Statement of trade receivables

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

<u>Client's name</u>	<u>Description</u>	<u>Amount</u>
Trade Receivable :		
GIANTPLUS TECHNOLOGY CO., LTD.	Operating	\$ 50,565
GARMIN CORPORATION	"	36,066
Magna Mirrors Of America, Inc.	"	33,494
Ortustech (Malaysia) Sdn. Bhd.	"	23,762
EMERGINE DISPLAY TECHNOLOGIED CORP.	"	14,828
Litemove Electronic Inc.	"	11,003
Others(note)	"	<u>36,931</u>
		206,649
Minus: Allowance for uncollectible accounts		<u>(674)</u>
		<u>\$ 205,975</u>

Note: The amount of each item in others does not exceed 5% of the account balance.

Statement of other receivables

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Other receivable:		
Tax refund receivable	Business tax refundable	\$ 1,253
Interest receivable	Interest estimate	<u>3,155</u>
		<u>\$ 4,408</u>
Other receivable - related party	Receivables from subsidiaries for human support, advanced transportation expenses and financing	<u>\$ 938</u>

Shian Yih Electronic Industry Co., Ltd
Statement of inventories
December 31, 2024
(Expressed in thousands of New Taiwan Dollars)

Item	Amount		Notes
	Cost	Market price	
Merchandise	\$ 19,959	22,570	Net realizable value
Work in process	30,590	15,876	"
Finished goods	61,339	23,858	"
Raw materials	92,251	24,545	"
Materials	<u>532</u>	<u>288</u>	"
	204,671	<u>87,137</u>	
Allowance for valuation	<u>(125,843)</u>		
	<u>\$ 78,828</u>		

Statement of other current assets

Related information for other current assets please refers to Note 6 (10).

Shian Yih Electronic Industry Co., Ltd

Statement of financial assets measured at fair value through other comprehensive income - non-current

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

<u>Names of Investee</u>	<u>Beginning balance</u>		<u>Increase during the period</u>		<u>Decrease during the period</u>		<u>Adjustment</u>		<u>Ending balance</u>		<u>Pledged as Collateral</u>	<u>Notes</u>
	<u>Share</u>	<u>Amount</u>	<u>Share</u>	<u>Amount</u>	<u>Share</u>	<u>Amount</u>	<u>Share</u>	<u>Amount</u>	<u>Share</u>	<u>Amount</u>		
Ying Cheng Investment Corp.	2,534	\$ <u><u>9,334</u></u>	-	<u><u>-</u></u>	-	<u><u>-</u></u>	-	<u><u>(88)</u></u>	2,534	<u><u>9,246</u></u>	None	-

Shian Yih Electronic Industry Co., Ltd
Statement of changes in investments accounted for using the equity method
December 31, 2024
(Expressed in thousands of New Taiwan Dollars)

Investee name	Beginning balance		Addition		Decrease		Other movements			Ending balance			Original investment Cost and Equity Net Worth	Equity Net Worth	Pledge of collateral
	Shares	Amount	Shares	Amount	Shares	Amount	Equity Method Profit or loss of investment	Exchange differences on translations of foreign financial statements	(note) Others	Shares	Percentage of ownership	Amount			
Appraisal by the equity method :															
Shian Yih (Samoa) Electronic Industry Co., Ltd.	10,500	\$ 752,074	-	-	-	-	53,658	33,665	1,285	10,500	100	840,682	-	847,963	None
Chian Yih Optotech Co., Ltd.	6,500	20,067	-	-	(4,000)	-	(65)	-	-	2,500	50	20,002	1,060	37,883	None
		\$ 772,141		-		-	53,593	33,665	1,285			860,684		885,846	

Note1 : Represents unrealized benefits from the sale of real estate, plant and equipment.
Note2 : On November 25,2024, Chian Yih Optotech Co., Ltd. resolved by the general meeting ofshareholders to handle the capital reduction loss in accordance with Article 168-1 of the Company Law, with a capital reduction ratio of 61.54% and a capital reduction of 4,000 shares.

Shian Yih Electronic Industry Co., Ltd
Statement of changes in property, plant and
equipment
For the year ended December 31, 2024
(Expressed in thousands of New Taiwan Dollars)

Related information for PP&E financial report please refers to Note 6 (7).

Statement of right-of-use

Related information please refers to Note 6 (8).

Statement of changes in intangible assets

Related information for intangible assets please refers to Note 6 (9).

Shian Yih Electronic Industry Co., Ltd
Statement of trade payables
December 31, 2024
(Expressed in thousands of New Taiwan Dollars)

<u>Client's name</u>	<u>Description</u>	<u>Amount</u>
Related parties:		
Dongguan Fair Lumi Optronics Co., Ltd.	Operating	\$ 56,727
Dongguan Shian Yih Electronic Co., Ltd.	"	<u>46,038</u>
		<u>\$ 102,765</u>
Non-related parties:		
Avnet Asia Pte Ltd	"	4,006
Greenconn Technology Co., LTD.		
Greenconn Technology Co., LTD.	"	2,483
Others(note)	"	<u>1,373</u>
		<u>\$ 7,862</u>

Note: The amount of each item in others does not exceed 5% of the account balance.

Shian Yih Electronic Industry Co., Ltd
Statement of other payables
December 31, 2024
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Other payables :		
Employee bonuses payable	Estimated employee bonus	\$ 7,484
Bonus payable	Estimated year-end bonus	7,182
Salary payable	Estimated payroll and non-leave bonuses	5,902
Other expenses	Labor costs, employee travel and communication expenses	4,784
Supervisor remunerations payable	Estimated supervisor remunerations	1,967
Others (Note)		40
		<u>\$ 27,359</u>
Other payables to related parties	Payable to the subsidiary's mold payment and advance payment, etc.	<u>\$ 21,626</u>

Note: The amount of each item in others does not exceed 5% of the account balance.

Statement of other current liabilities

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Advance molding payment	Receipt of customer's mold payment in advance	\$ 4,714
Temporary credits	Temporary collection of customer design changes	1,491
Receipts under custody	Collect employee salary income tax and labor health insurance premiums	435
		<u>\$ 6,640</u>

Shian Yih Electronic Industry Co., Ltd

Statement of long-term borrowings

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Creditor	Description	<u>Borrowing Amount</u> (Including deferred revenue)	<u>Due day</u>	<u>Interest rate</u>	<u>Mortgage or collateral</u>
Mega Bank(Note1)	mortgage loan	\$ 5,276	2019.11.11~2029.11.11	1.875 %	Land, Buildings
Mega Bank(Note1)	mortgage loan	7,895	2019.12.06~2029.11.11	1.875 %	Land, Buildings
Mega Bank(Note1)	mortgage loan	3,509	2020.01.17~2029.11.11	0.720 %	Land, Buildings
Mega Bank(Note1)	mortgage loan	508	2020.02.21~2029.11.11	0.720 %	Land, Buildings
Mega Bank(Note1)	mortgage loan	1,757	2020.06.17~2029.11.11	0.720 %	Land, Buildings
Mega Bank(Note1)	mortgage loan	6,278	2019.10.31~2026.10.31	1.875 %	Land, Buildings
Mega Bank(Note1)	mortgage loan	8,064	2019.11.28~2026.10.31	1.875 %	Land, Buildings
Mega Bank(Note1)	mortgage loan	10,310	2020.01.09~2026.10.31	0.720 %	Land, Buildings
Mega Bank(Note1)	mortgage loan	4,465	2020.02.26~2026.10.31	0.720 %	Land, Buildings
Mega Bank(Note1)	mortgage loan	4,465	2020.04.29~2026.10.31	0.720 %	Land, Buildings
Mega Bank(Note1)	mortgage loan	4,465	2020.06.29~2026.10.31	0.720 %	Land, Buildings
Mega Bank(Note1)	mortgage loan	4,465	2020.08.28~2026.10.31	0.720 %	Land, Buildings
Mega Bank(Note1)	mortgage loan	4,465	2020.10.29~2026.10.31	0.720 %	Land, Buildings
Mega Bank(Note1)	mortgage loan	4,465	2020.12.30~2026.10.31	0.720 %	Land, Buildings
Mega Bank(Note1)	mortgage loan	4,465	2021.04.06~2026.10.31	0.720 %	Land, Buildings
Mega Bank(Note1)	mortgage loan	4,465	2021.06.03~2026.10.31	0.720 %	Land, Buildings
Mega Bank(Note1)	mortgage loan	6,711	2021.07.29~2026.10.31	0.720 %	Land, Buildings
Mega Bank(Note1)	mortgage loan	4,465	2021.09.29~2026.10.31	0.720 %	Land, Buildings
Mega Bank(Note1)	mortgage loan	4,465	2021.11.29~2026.10.31	0.720 %	Land, Buildings
Mega Bank(Note1)	secured loan	13,108	2020.12.30~2026.10.31	0.720 %	Time deposits
Bank of Taiwan(Note1)	Machinery and equipment loan	3,855	2019.12.24~2026.12.15	1.825 %	Machinery and equipment
Bank of Taiwan(Note1)	Machinery and equipment loan	7,916	2020.06.10~2026.12.15	1.825 %	Machinery and equipment
		\$ <u>119,837</u>			

Note1 : The grace period is 3 years, and the loan will be repaid from 2023 years.

Shian Yih Electronic Industry Co., Ltd
Statement of operating revenue
For the year ended December 31, 2024
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Quantity (thousand)</u>	<u>Amount</u>
Backlight modules	13,344	\$ 738,036
Other	7,051	<u>120,047</u>
		858,083
Decrease: sales return		(591)
sales allowance		<u>(451)</u>
Operating revenue		<u><u>\$ 857,041</u></u>

Shian Yih Electronic Industry Co., Ltd

Statement of operating costs

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Merchandise	
Merchandise, beginning of year	\$ 18,677
Add : Merchandise purchased	550,611
Less : Merchandise, end of year	(19,959)
Scrapped of merchandise	(834)
Transfer to expense and others	(2,365)
Cost of goods sold from purchasing	<u>546,130</u>
Cost of goods sold from manufacturing	
Raw materials, beginning of year	82,346
Add : Raw materials purchased	79,907
Win	6
Surplus	2
Less : Raw materials, end of year	(92,251)
Cost of raw materials sold	(3,446)
Scrapped of raw materials	(483)
Transfer to expense and others	(105)
Other	(154)
Direct raw materials	<u>65,822</u>
Supplies , beginning of year	547
Add : Supplies purchased	1,666
Less : supplies , end of year	(532)
Cost of supplies sold	(310)
Transfer to expense and others	(493)
Indirect material	<u>878</u>
Direct labor	8,890
Manufacturing overhead	<u>77,605</u>
Manufacturing Cost	153,195
Add : Work in progress, beginning of year	30,458
Work in progress purchased	14,902
Transfer in of finished goods	4,666
Other	414
Less : Work in progress, end of year	(30,590)
Cost of work in process sold	(1)
Scrapped	(142)
Cost of finished goods	<u>172,902</u>
Add : Finished goods, beginning of year	64,616
Less : Finished goods, end of year	(61,339)
Transfer to work in progress	(4,666)
Transfer to expense	(126)
Loss	(2)
Cost of goods sold from manufacturing	<u>171,385</u>
Cost of Raw Materials Sold and Work in Process	3,756
White-down of inventories	123,844
Scrap loss	1,461
Loss	(2)
Operating cost	<u><u>\$ 846,574</u></u>

Shian Yih Electronic Industry Co., Ltd
Statement of selling expenses
For the year ended December 31, 2024
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Selling expenses</u>	<u>Administrative expenses</u>	<u>Research and development expenses</u>
Salaries	\$ 12,182	\$ 27,831	\$ 5,699
Travelling expense	2,010	379	212
Export expense	6,291	-	-
Shipping expense	7,609	25	16
Labor costs	-	3,826	90
Insurance expense	1,601	3,138	579
Depreciation	624	1,391	465
Others (note)	<u>4,125</u>	<u>14,164</u>	<u>1,765</u>
	<u><u>\$ 34,442</u></u>	<u><u>50,754</u></u>	<u><u>8,826</u></u>

Note: The amount of each item in others does not exceed 5% of the account balance.