

**SHIAN YIH ELECTRONIC INDUSTRY CO., LTD
AND SUBSIDIARIES**

Consolidated 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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Representation Letter

The entities that are required to be included in the combined financial statements of Shian Yih Electronic Industry Co., Ltd as of and for the year ended December 31, 2024 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Shian Yih Electronic Industry Co., Ltd and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Shian Yih Electronic Industry Co., Ltd

Chairman: Wei-Si, Wang

Date: February 25, 2025



安侯建業聯合會計師事務所
KPMG

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Independent Auditors' Report

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

Opinion

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

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Cutoff of revenue

For accounting policies on revenue recognition, please refer to note 4(14) to the consolidated financial statements. For revenue recognition, please refer to note 6(22).

Description of key audit matter:

The Group'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 revenue recognition 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(8) Inventories in the consolidated 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 inventory valuation 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 Group's accounting policies;
- obtaining understanding of both the selling prices adopted by the Group'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.

Other Matter

Shian Yih Electronic Industry Co., Ltd has prepared its parent-company-only financial statements as of and for the year ended December 31, 2024 and 2023, on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements 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 are intended only to present the consolidated statement of financial position, financial performance and its 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 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.

Consolidated 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	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(1))	\$ 1,396,693	56	1,052,016	40	2100	Short-term borrowings (note 6(12),7 and 8)	\$ 6,000	-	6,000	-
1170	Accounts receivable, net (note 6(3))	422,586	17	558,607	21	2130	Contract liabilities-current (note 6(22))	855	-	2,323	-
1200	Other receivables (note 6(4))	6,174	-	9,649	-	2170	Accounts payable	271,575	11	357,115	14
1220	Current Tax Assets	4,862	-	-	-	2200	Other payables (note 7)	89,481	4	120,732	5
130X	Inventories(note 6(5))	246,763	10	393,338	15	2230	Current tax liabilities	2,382	-	32,153	1
1410	Prepayments	36,197	2	47,012	2	2280	Lease liabilities-current (notes 6(15))	8,212	-	5,524	-
1470	Other current assets	2,502	-	3,011	-	2300	Other current liabilities (notes 6(13))	6,925	-	8,243	-
1476	Other current financial assets (note 6(11) and 8)	36,064	2	246,764	10	2313	Deferred revenue (notes 6(16))	378	-	1,356	-
		2,151,841	87	2,310,397	88	2320	Long-term borrowings, current portion (notes 6(14),(16) and 8)	58,750	2	64,637	3
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(14),(16) and 8)	60,647	3	118,041	5
1600	Property, plant and equipment (notes (6(7) and 8)	208,209	9	260,922	10	2570	Deferred tax liabilities (note 6(19))	31,773	1	14,868	-
1755	Right-of-use assets (notes 6(8))	47,760	2	28,852	1	2580	Lease liabilities — non-current (notes 6(15))	18,142	1	2,142	-
1760	Investment property, net (note 6(9) and (17))	-	-	1,002	-	2630	Long-term deferred revenue (notes 6(16))	62	-	440	-
1822	Intangible assets (note 6(10))	5,193	-	2,420	-	2670	Guarantee deposits received	1,316	-	1,173	-
1840	Deferred tax assets (note 6(19))	46,593	2	22,273	1			111,940	5	136,664	5
1900	Other non-current assets	1,834	-	1,667	-		Total liabilities	556,498	22	734,747	28
1980	Guarantee deposits paid (note 6(11))	1,485	-	1,382	-		Equity attributable to owners of parent				
		320,320	13	327,852	12		(notes 6(20)):				
						3100	Share capital	611,750	25	611,750	23
						3200	Capital surplus	669,678	27	669,678	25
						3300	Retained earnings	730,171	30	751,522	28
						3400	Other equity	(114,877)	(5)	(148,454)	(5)
							Total equity attributable to owners of parent:	1,896,722	77	1,884,496	71
						36XX	Non-controlling interests (notes 6(6))	18,941	1	19,006	1
							Total equity	1,915,663	78	1,903,502	72
							Total liabilities and equity	\$ 2,472,161	100	2,638,249	100
	Total assets	\$ 2,472,161	100	2,638,249	100						

See accompanying notes to .

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

Consolidated 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(22))	\$ 1,581,569	100	2,083,903	100
5000	Operating costs (notes 6(5), (10) and (18))	1,396,045	88	1,696,559	81
5950	Gross profit from operations	185,524	12	387,344	19
	Operating expenses (notes 6(10), (15), (18) and (23)) :				
6100	Selling expenses	58,761	4	65,852	3
6200	Administrative expenses	113,208	7	132,056	6
6300	Research and development expenses	54,936	4	61,527	3
6450	Reversal of expected credit loss (note 6(3))	675	-	-	-
		227,580	15	259,435	12
6900	Net operating income	(42,056)	(3)	127,909	7
7000	Non-operating income and expenses:				
7100	Interest income (note 6(24))	52,353	3	47,024	2
7010	Other income (note 6(16),(17) and (24))	11,784	1	13,966	-
7190	Gains on disposals of property, plant and equipment	1,916	-	394	-
7630	Foreign exchange gain, net	82,653	5	2,212	-
7050	Finance costs (notes 6(15) and (24))	(3,335)	-	(5,224)	-
		145,371	9	58,372	2
7900	Profit before income tax	103,315	6	186,281	9
7950	Less: Income tax expenses (note 6(19))	20,733	1	40,526	2
8200	Profit for the period	82,582	5	145,755	7
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	(88)	-	(6,072)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss(notes 6(19))	-	-	-	-
		(88)	-	(6,072)	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign financial statements	33,665	2	(12,300)	(1)
8399	Income tax related to items that will be reclassified to profit or loss(notes 6(19))	-	-	-	-
		33,665	2	(12,300)	(1)
8300	Other comprehensive income (after tax)	33,577	2	(18,372)	(1)
8500	Total comprehensive income for the period	\$ 116,159	7	127,383	6
	Profit (loss), attributable to:				
8610	Owners of parent	\$ 82,647	5	148,829	7
8620	Non-controlling interest(note 6(6))	(65)	-	(3,074)	-
		\$ 82,582	5	145,755	7
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 116,224	7	130,457	6
8720	Non-controlling interest	(65)	-	(3,074)	-
		\$ 116,159	7	127,383	6
	Earnings per share (note 6(21))				
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 Originally Issued in Chinese)
SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
	Retained earnings						Other equity					
							Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income					
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements		Total	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2023	\$ 611,750	669,678	229,973	157,621	337,449	725,043	(120,153)	(9,929)	(130,082)	1,876,389	22,080	1,898,469
Profit for the year ended December 31, 2023	-	-	-	-	148,829	148,829	-	-	-	148,829	(3,074)	145,755
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	(12,300)	(6,072)	(18,372)	(18,372)	-	(18,372)
Comprehensive income for the year ended December 31, 2023	-	-	-	-	148,829	148,829	(12,300)	(6,072)	(18,372)	130,457	(3,074)	127,383
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	18,496	-	(18,496)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(122,350)	(122,350)	-	-	-	(122,350)	-	(122,350)
Reversal of special reserve	-	-	-	(27,539)	27,539	-	-	-	-	-	-	-
			18,496	(27,539)	(113,307)	(122,350)				(122,350)		(122,350)
Balance at December 31, 2023	<u>\$ 611,750</u>	<u>669,678</u>	<u>248,469</u>	<u>130,082</u>	<u>372,971</u>	<u>751,522</u>	<u>(132,453)</u>	<u>(16,001)</u>	<u>(148,454)</u>	<u>1,884,496</u>	<u>19,006</u>	<u>1,903,502</u>
Profit for the year ended December 31, 2024	-	-	-	-	82,647	82,647	-	-	-	82,647	(65)	82,582
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	-	-	33,665	(88)	33,577	33,577	-	33,577
Comprehensive income for the year ended December 31, 2024	-	-	-	-	82,647	82,647	33,665	(88)	33,577	116,224	(65)	116,159
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)	-	(103,998)
			14,883	18,372	(137,253)	(103,998)				(103,998)		(103,998)
Balance at December 31, 2024	<u>\$ 611,750</u>	<u>669,678</u>	<u>263,352</u>	<u>148,454</u>	<u>318,365</u>	<u>730,171</u>	<u>(98,788)</u>	<u>(16,089)</u>	<u>(114,877)</u>	<u>1,896,722</u>	<u>18,941</u>	<u>1,915,663</u>

See accompanying notes to .

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

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023 (Adjusted)
Cash flows from operating activities:		
Profit before tax	\$ 103,315	186,281
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	88,305	97,472
Amortization expense	2,093	119
Reversal of expected credit loss	675	-
Interest expense	3,335	5,224
Interest income	(52,353)	(47,024)
Gain from disposal of property, plant and equipment	(1,916)	(394)
Total adjustments to reconcile profit (loss)	<u>40,139</u>	<u>55,397</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in accounts receivable	135,346	92,532
Decrease (increase) in other receivables	3,247	(1,606)
Decrease in inventories	146,575	4,075
Decrease in prepayments	10,815	17,342
Decrease (increase) in other current assets	509	(1,110)
Total changes in operating assets	<u>296,492</u>	<u>111,233</u>
Changes in operating liabilities:		
(Decrease) increase in accounts payable	(85,540)	27,686
Decrease in other payables include related parties	(29,541)	(17,884)
(Decrease) increase in other current liabilities	(2,786)	390
Total changes in operating liabilities	<u>(117,867)</u>	<u>10,192</u>
Total changes in operating assets and liabilities	<u>178,625</u>	<u>121,425</u>
Total adjustments	<u>218,764</u>	<u>176,822</u>
Cash inflow generated from operations	322,079	363,103
Interest received	52,581	46,046
Interest paid	(3,330)	(5,913)
Income taxes paid	(62,855)	(45,498)
Net cash flows from operating activities	<u>308,475</u>	<u>357,738</u>
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(19,780)	(24,722)
Proceeds from disposal of property, plant and equipment	1,916	1,587
Decrease in refundable deposits	(103)	-
Acquisition of intangible assets	(4,798)	(1,463)
Decrease (increase) in other financial assets	210,700	(139,002)
Increase in other non-current assets	(1,822)	(4,025)
Net cash flows (used in) from investing activities	<u>186,113</u>	<u>(167,625)</u>
Cash flows from financing activities:		
Increase in short-term borrowings	6,000	79,755
Decrease in short-term borrowings	(6,000)	(159,701)
Repayments of long-term borrowings	(64,637)	(65,814)
Decrease in guarantee deposits received	143	140
Payment of lease liabilities	(8,013)	(7,876)
Cash dividends paid	(103,998)	(122,350)
Net cash flows used in financing activities	<u>(176,505)</u>	<u>(275,846)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>26,594</u>	<u>(7,160)</u>
Net increase (decrease) in cash and cash equivalents	344,677	(92,893)
Cash and cash equivalents at beginning of period	1,052,016	1,144,909
Cash and cash equivalents at end of period	<u><u>\$ 1,396,693</u></u>	<u><u>1,052,016</u></u>

See accompanying notes to .

(English Translation of Originally Issued in Chinese)
SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
Notes to the Consolidated 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 and its subsidiaries (together referred to as the “Group”) mainly engage in manufacture and sale of back light modules; please refer to note 14 for details.

2 Approval date and procedures of the consolidated financial statements:

These consolidated 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 Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated 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 Group 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 consolidated financial statements:

- Amendments to IAS21 “Lack of Exchangeability”

(Continued)

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

- (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 Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

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

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
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The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

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

(1) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

(2) Basis of preparation

(i) Basis of measurement

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

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated 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.

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

(3) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(ii) List of subsidiaries in the consolidated financial statements

List of the subsidiaries included in the consolidated financial statements:

Name investor	Name of investee	Principal activity	Shareholding	
			December 31, 2024	December 31, 2023
The Company	Shian Yih (Samoa) Electronic Industry Co., Ltd. (Shian Yih (Samoa))	Investee	100.00 %	100.00 %
The Company	Chian Yih Optotech Co., Ltd. (Chian Yih Optotech)	Manufacture and sale of optical products	50.00 %	50.00 %
Shian Yih (Samoa)	Fair Some (Samoa) Industrial Ltd. (Fair Some (Samoa))	Investee	100.00 %	100.00 %
Shian Yih (Samoa)	Wise Development Group Ltd. (Wise)	Investee	100.00 %	100.00 %
Wise	Dongguan Fair Lumi Optronics Co., Ltd. (Dongguan Fair Lumi)	Manufacture and sale of small and medium-sized LED backlight modules	100.00 %	100.00 %
Fair Some (Samoa)	Dongguan Shian Yih Electronic Co., Ltd. (Dongguan Shian Yih)	Manufacture and sale of small and medium-sized LED backlight modules	100.00 %	100.00 %

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
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(4) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group 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.

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 Group 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 Group 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.

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

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

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as noncurrent.

- (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.

The Group classifies as current under one of the following criteria, and all other liabilities are classified as non-current.

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It holds the liability primarily for the purpose of trading;
- (iii) The liability is due to be settled within twelve months after the reporting period; or
- (iv) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(6) 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.

(7) Financial instruments

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group 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.

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

(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 Group 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.

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 (SPPI) 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 Group 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.

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

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 Group's right to receive payment is established.

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 Group 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 Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost, debt investments measured at FVOCI and contract assets.

The Group 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 Group 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 Group's historical experience and informed credit assessment as well as forward-looking information.

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

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
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The Group 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 Group 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 Group in accordance with the contract and the cash flows that the Group expects to receive). ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group 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.

At each reporting date, the Group 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 assets 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 90 days 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.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
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The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group 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 Group 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 Group's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Group 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 Group 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 Group 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.

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 Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group 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.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
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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 Group 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.

(8) 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.

(9) 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.

(10) 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.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
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(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 Group.

(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	2~5 years
3) Office and other facilities	2~11 years

The significant components and useful lives of buildings and structures were as follows:

<u>Component</u>	<u>Useful life</u>
Main buildings	20 to 36 years
Clean room renovation project	6 to 21 years
Repairs and maintenance project for plants	36 years
Other	2 to 8 years

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.

(11) Leases

At inception of a contract, the Group 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 Group 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.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
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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 Group's incremental borrowing rate. Generally, the Group 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.

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 Group'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 a 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 Group 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 Group 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.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
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If an arrangement contains lease and non-lease components, the Group 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 Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group 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 Group recognizes related lease payments expenses on a straight-line basis over the lease term.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'rent income'.

(12) 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.

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 Group 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 Group 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.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
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(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 Group'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.

(13) Impairment of non-financial assets

At each reporting date, the Group 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.

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.

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

(14) Revenue from contracts with customers

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group 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 Group's main types of revenue are explained below.

1) Sale of goods

The Group mainly produces backlight modules and related components, and sells them to manufacturers of medium and small-sized panels as well as touch modules. The Group 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 Group 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 Group has a right to an amount of consideration that is unconditional.

2) Financing components

The Group 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 group does not adjust any of the transaction prices for the time value of money.

(15) Government grants

The Group 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 Group 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 Group 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.

(16) Employee benefits

(i) Defined contribution plans

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

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
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(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 Group 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.

(17) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B 12 of International Financial Reporting Standards 34, Interim Reporting.

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 at the time of the transaction.
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group 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.

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

- (i) the Group 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:

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
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- 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.

(18) Earnings per share

The Group 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, such as convertible bonds and employee compensation.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

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

In preparing these consolidated financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, 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.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively in the period of the change and future periods.

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.

(1) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Group 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.

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Notes to the Consolidated Financial Statements

6 Explanation of significant accounts:

(1) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and petty cash	\$ 1,978	2,635
Demand deposits	321,883	333,704
Checking account deposits	196	239
Time deposits	<u>1,072,636</u>	<u>715,438</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 1,396,693</u>	<u>1,052,016</u>

Please refer to note 6(25) for the interest rate risk, and sensitivity analysis of the financial assets and liabilities of the Group.

(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>-</u>

The purpose that the Group 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.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of December 31, 2024 and 2023.

For credit risk and market risk, please refer to note 6(25).

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	\$ 423,261	558,607
Less: loss allowance	<u>-</u>	<u>-</u>
	<u>\$ 423,261</u>	<u>558,607</u>

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
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The Group 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 were determined as follows:

December 31, 2024			
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 398,781	-	-
1 to 30 days past due	17,780	-	-
31 to 60 days past due	5,581	-	-
61 to 90 days past due	-	-	-
91 to 180 days past due	444	-	-
More than 181 days past due	675	100%	675
Total	<u><u>\$ 423,261</u></u>		<u><u>675</u></u>

December 31, 2023			
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 497,992	-	-
1 to 30 days past due	57,421	-	-
31 to 60 days past due	3,116	-	-
61 to 90 days past due	78	-	-
Total	<u><u>\$ 558,607</u></u>		<u><u>-</u></u>

The movements in the allowance for accounts receivable were as follows:

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

None of the accounts receivable has been pledged as collateral as of December 31, 2024 and 2023.

For further credit risk information, please refer to note 6(25).

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(4) Other receivables

	December 31, 2024	December 31, 2023
Other receivables	\$ <u><u>6,174</u></u>	<u><u>9,649</u></u>

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

For further credit risk information, please refer to note 6(25).

(5) Inventories

	December 31, 2024	December 31, 2023
Merchandise	\$ 14,958	17,189
Finished goods	75,359	130,009
Work in progress	62,630	76,406
Raw materials	89,685	165,311
Supplies	<u>4,131</u>	<u>4,423</u>
	\$ <u><u>246,763</u></u>	<u><u>393,338</u></u>

The costs of sales were as follows:

	2024	2023
Inventory that has been sold	\$ 1,211,246	1,655,240
Write-down of inventories	130,446	1,261
Losses on inventory write-offs	6,414	8,704
Overage of inventories	(2)	(12)
Unallocated production overheads	<u>47,941</u>	<u>31,366</u>
Operating costs	\$ <u><u>1,396,045</u></u>	<u><u>1,696,559</u></u>

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

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(6) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

<u>Subsidiary</u>	<u>Major Operation place Registered country</u>	<u>Percentage of non-controlling interests</u>	<u>December 31,</u>
		<u>December 31,</u>	<u>2023</u>
		<u>2024</u>	<u>2023</u>
CHIAN YIH OPTOTECH CO., LTD.	Taiwan	50 %	50 %

The following information of the material non-controlling interests of subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in this information is the fair value adjustment made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intra-group transactions were not eliminated in this information.

CHIAN YIH OPTOTECH CO., LTD's. Collective financial information :

	<u>December 31,</u>	<u>December 31,</u>
	<u>2024</u>	<u>2023</u>
Current assets	\$ 18,854	15,119
Non-current assets	39,143	34,964
Current liabilities	(11,665)	(9,721)
Non-current liabilities	(8,449)	(2,348)
Net assets	<u>\$ 37,883</u>	<u>38,014</u>
Non-controlling interests	<u>\$ 18,941</u>	<u>19,006</u>
	<u>For the years ended December 31</u>	<u>For the years ended December 31</u>
	<u>2024</u>	<u>2023</u>
Sale revenue	<u>\$ 19,669</u>	<u>16,438</u>
Net loss	\$ (131)	(6,148)
Other comprehensive income	-	-
Comprehensive income	<u>\$ (131)</u>	<u>(6,148)</u>
Loss, attributable to non-controlling interests	<u>\$ (66)</u>	<u>(3,074)</u>
Comprehensive income, attributable to non-controlling interests	<u>\$ (66)</u>	<u>(3,074)</u>
Net cash flows from operating activities	\$ 7,637	1,055
Net cash flows from investing activities	-	-
Net cash flows from financing activities	(2,104)	(3,907)
Net (decrease) increase in cash and cash equivalents	<u>\$ 5,533</u>	<u>(2,852)</u>

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
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(7) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2024 and 2023, were as follows:

	Land	Buildings and Construction	Machinery and equipment	Office and miscellaneous equipment	Unfinished construction and equipment under acceptance	Total
Cost:						
Balance on January 1, 2024	\$ 6,971	578,187	465,527	120,030	2,328	1,173,043
Additions	-	1,572	13,182	2,269	2,761	19,784
Disposal	-	-	(15,618)	(321)	-	(15,939)
Reclassification	-	-	2,050	127	(2,177)	-
Effect of movements in exchange rates	-	19,969	12,876	2,197	92	35,134
Balance on December 31, 2024	<u>\$ 6,971</u>	<u>599,728</u>	<u>478,017</u>	<u>124,302</u>	<u>3,004</u>	<u>1,212,022</u>
Balance on January 1, 2023	\$ 6,971	584,210	453,535	117,121	6,439	1,168,276
Additions	-	1,816	17,550	6,466	2,365	28,197
Disposal	-	-	(2,898)	(2,626)	(1,193)	(6,717)
Reclassification	-	-	4,889	330	(5,219)	-
Effect of movements in exchange rates	-	(7,839)	(7,549)	(1,261)	(64)	(16,713)
Balance on December 31, 2023	<u>\$ 6,971</u>	<u>578,187</u>	<u>465,527</u>	<u>120,030</u>	<u>2,328</u>	<u>1,173,043</u>
Accumulated depreciation:						
Balance on January 1, 2024	\$ -	429,727	381,974	100,420	-	912,121
Depreciation for the period	-	30,305	39,352	9,002	-	78,659
Disposal	-	-	(15,618)	(321)	-	(15,939)
Effect of movements in exchange rates	-	16,090	10,954	1,928	-	28,972
Balance on December 31, 2024	<u>\$ -</u>	<u>476,122</u>	<u>416,662</u>	<u>111,029</u>	<u>-</u>	<u>1,003,813</u>
Balance on January 1, 2023	\$ -	397,919	352,255	92,738	-	842,912
Depreciation for the period	-	37,366	39,100	11,409	-	87,875
Disposal	-	-	(2,898)	(2,626)	-	(5,524)
Effect of movements in exchange rates	-	(5,558)	(6,483)	(1,101)	-	(13,142)
Balance on December 31, 2023	<u>\$ -</u>	<u>429,727</u>	<u>381,974</u>	<u>100,420</u>	<u>-</u>	<u>912,121</u>
Carrying amounts:						
Balance on December 31, 2024	<u>\$ 6,971</u>	<u>123,606</u>	<u>61,355</u>	<u>13,273</u>	<u>3,004</u>	<u>208,209</u>
Balance on January 1, 2023	<u>\$ 6,971</u>	<u>186,291</u>	<u>101,280</u>	<u>24,383</u>	<u>6,439</u>	<u>325,364</u>
Balance on December 31, 2023	<u>\$ 6,971</u>	<u>148,460</u>	<u>83,553</u>	<u>19,610</u>	<u>2,328</u>	<u>260,922</u>

As of December 31, 2024 and 2023, the property, plant and equipment had been pledged as collateral for long-term bank loans; please refer to note 8.

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(8) Right-of-use assets

The Group leases many assets including land, buildings, and structures; the cost, depreciation and impairment were as follows:

	<u>Land</u>	<u>Buildings and Construction</u>	<u>Total</u>
Cost:			
Balance on January 1, 2024	\$ 25,421	41,928	67,349
Additions	-	26,701	26,701
Effect of movements in exchange rates	762	-	762
Balance on December 31, 2024	<u>\$ 26,183</u>	<u>68,629</u>	<u>94,812</u>
Balance on January 1, 2023	\$ 25,936	41,754	67,690
Additions	-	174	174
Effect of movements in exchange rates	(515)	-	(515)
Balance on December 31, 2023	<u>\$ 25,421</u>	<u>41,928</u>	<u>67,349</u>
Accumulated depreciation:			
Balance on January 1, 2024	\$ 3,842	34,655	38,497
Depreciation for the year	750	7,847	8,597
Effect of movements in exchange rates	(42)	-	(42)
Balance on December 31, 2024	<u>\$ 4,550</u>	<u>42,502</u>	<u>47,052</u>
Balance on January 1, 2023	\$ 3,174	27,019	30,193
Depreciation for the year	740	7,636	8,376
Effect of movements in exchange rates	(72)	-	(72)
Balance on December 31, 2023	<u>\$ 3,842</u>	<u>34,655</u>	<u>38,497</u>
Carrying amounts:			
Balance on December 31, 2024	<u>\$ 21,633</u>	<u>26,127</u>	<u>47,760</u>
Balance on January 1, 2023	<u>\$ 22,762</u>	<u>14,735</u>	<u>37,497</u>
Balance on December 31, 2023	<u>\$ 21,579</u>	<u>7,273</u>	<u>28,852</u>

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
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(9) Investment property

Investment property, which means assets owned by the Group, refers to plants leased to third parties under operating leases. The leases of investment properties contain an initial non-cancellable lease term of 10 years.

The rental income of all leased investment properties is in fixed amounts.

The movements in investment property of the Group were as follows:

	Self-owned asset—buildings and structures
Cost:	
Balance on January 1, 2024	\$ 34,773
Effect of movements in foreign exchange rates	<u>2,356</u>
Balance on December 31, 2024	<u>\$ 37,129</u>
Balance on January 1, 2023	\$ 34,780
Effect of movements in foreign exchange rates	<u>(7)</u>
Balance on December 31, 2023	<u>\$ 34,773</u>
Accumulated depreciation:	
Balance on January 1, 2024	\$ 33,771
Depreciation for the year	1,049
Effect of movements in foreign exchange rates	<u>2,309</u>
Balance on December 31, 2024	<u>\$ 37,129</u>
Balance on January 1, 2023	\$ 32,574
Depreciation for the year	1,221
Effect of movements in foreign exchange rates	<u>(24)</u>
Balance on December 31, 2023	<u>\$ 33,771</u>
Carrying amounts:	
Balance on December 31, 2024	<u>\$ -</u>
Balance on January 1, 2023	<u>\$ 2,206</u>
Balance on December 31, 2023	<u>\$ 1,002</u>
Fair value:	
Balance on December 31, 2024	<u>\$ 13,123</u>
Balance on December 31, 2023	<u>\$ 15,337</u>

Investment property comprises a number of commercial properties that are leased to third parties. Each of the leases contains an initial non-cancellable period of 10 years, for the subsequent lease term, it is negotiated with the lessee, and there is no contingent rental been collected. For relevant information (including rental income and direct operating expenses that had incurred), please refer to Note 6 (17) °

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The fair value of investment property was measured using the market approach. The yield method under the income approach would have been used if there was no active market for the investment properties. The inputs of levels of fair value hierarchy in determining the fair value is classified to Level 3.

For 2024 and 2023, the adopted range of yield rates was as follows:

Geographic information	2024	2023
Dongguan, Mainland China	10.53%	11.36%

As of December 31, 2024 and 2023, the Group did not provide any investment property as collateral for its loans.

(10) Intangible assets

The cost, amortization and impairment of the intangible assets of the Group for the years ended December 31, 2024 and 2023, were as follows:

	Software	Goodwill	Total
Cost:			
Balance on January 1, 2024	\$ 3,536	1,060	4,596
Additions	4,798	-	4,798
Effect of movement in exchange rates	84	-	84
Balance on December 31, 2024	\$ 8,418	1,060	9,478
Balance on January 1, 2023	\$ 2,095	1,060	3,155
Additions	1,463	-	1,463
Effect of movement in exchange rate	(22)	-	(22)
Balance on December 31, 2023	\$ 3,536	1,060	4,596
Accumulated amortization :			
Balance on January 1, 2024	\$ 2,176	-	2,176
Amortization for the year	2,093	-	2,093
Effect of movement in exchange rate	16	-	16
Balance on December 31, 2024	\$ 4,285	-	4,285
Balance on January 1, 2023	\$ 2,058	-	2,058
Amortization for the year	119	-	119
Effect of movement in exchange rate	(1)	-	(1)
Balance on December 31, 2023	\$ 2,176	-	2,176
Carrying value			
Balance on December 31, 2024	\$ 4,133	1,060	5,193
Balance on January 1, 2023	\$ 37	1,060	1,097
Balance on December 31, 2023	\$ 1,360	1,060	2,420

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(i) Amortization

The amortization of intangible assets is included in the the statement of comprehensive income:

	<u>2024</u>	<u>2023</u>
Cost of sales	\$ 33	36
Operating expenses	<u>2,060</u>	<u>190</u>
	<u>\$ 2,093</u>	<u>226</u>

(ii) Disclosure on pledges

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

(11) Other financial assets

The other financial assets of the Group were as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Restricted bank deposits	\$ 3,279	4,361
Time deposits—more than 3 months	<u>32,785</u>	<u>242,403</u>
	<u>\$ 36,064</u>	<u>246,764</u>

Restricted bank deposits are time deposits secured by bank loan pledged. Bank time deposits with an original maturity of more than three months are certificates deposit that do not meet the definition of cash equivalent.

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(25) for credit risk and market risk associated with other financial assets.

(12) Short-term borrowings

The short-term borrowings were summarized as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Other short-term borrowings - related parties	<u>\$ 6,000</u>	<u>6,000</u>
Unused short-term credit lines	<u>\$ 484,098</u>	<u>456,018</u>
Range of interest rates	<u>2.425%</u>	<u>2.3%</u>

The borrowings from related parties, please refers to note7. For the collateral for short-term borrowings, please refer to note 8.

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(13) Other current liabilities

The Group's other current liabilities were as follows:

	December 31, 2024	December 31, 2023
Advance molding payment	\$ 4,714	6,094
Temporary receipts	1,704	1,596
Receipts under custody	<u>507</u>	<u>553</u>
	<u>\$ 6,925</u>	<u>8,243</u>

(14) Long-term borrowings

The details of long-term borrowings 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>
			<u>\$ 60,647</u>
Unused long-term credit lines			<u>\$ -</u>

December 31, 2023			
	Rate	Maturity year	Amount
Secured bank loans	0.47%~0.595%	October 2025 to November 2029	\$ 184,474
Less: current portion			184,474
Government grants			<u>(64,637)</u>
			<u>\$ 304,311</u>
Unused long-term credit lines			<u>\$ -</u>

(15) Lease liabilities

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

	December 31, 2024	December 31, 2023
Current	\$ 8,212	5,524
Non-current	<u>18,142</u>	<u>2,142</u>
	<u>\$ 26,354</u>	<u>7,666</u>

For the maturity analysis, please refer to note 6(25).

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The amounts recognized in profit or loss were as follows:

	For the years ended December 31, 2024	For the years ended December 31, 2023
Interest on lease liabilities	\$ <u>227</u>	<u>164</u>
Expenses relating to short-term leases	\$ <u>4,587</u>	<u>4,594</u>

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

	For the years ended December 31, 2024	For the years ended December 31, 2023
Total cash outflow for leases	\$ <u>12,827</u>	<u>12,634</u>

(i) Land and Building leases

The Group leases land, buildings and structures for office spaces and plants, with a lease term of 3 years, and some leases include an option to extend the lease for an additional period of the same duration at the end of the lease term.

(ii) Other leases

The Group also leases dormitory and other leases with contract terms of one to three years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(16) Deferred revenues

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

As of December 31, 2024 and 2023, the Group'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 Group's revenues from government grants amounted to \$1,356 thousand and \$1,967 thousand respectively, both of which were included in other revenues.

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(17) Operating leases

The Group leases out its investment property. The Group has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to note 6(9) that sets out information about the operating leases of investment property.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

	December 31, 2024	December 31, 2023
Less than one year	\$ 4,043	3,753
One to two years	4,090	3,985
Two to three years	1,498	4,031
Three to four years	980	1,477
Four to five years	980	966
More than five years	<u>6,369</u>	<u>7,244</u>
Total undiscounted lease payments	<u>\$ 17,960</u>	<u>21,456</u>

For 2024 and 2023, the rent income arising from real estate amounted to \$3,830 thousand and \$3,809 thousand, respectively. Repair and maintenance expenses arising from investment property were as follows:

	2024	2023
Income generating property	<u>\$ 1,052</u>	<u>1,224</u>

(18) Employee benefits

Defined contribution plans

The Group 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.

Pension payments are made by FAIR LUMI (DONGGUAN) and SHIAN YIH (DONGGUAN) based on a contribution system, and the monthly contributions are made to employees' individual accounts with the Bureau of Human Resource and Social Security. As the accounts are completely separated from the Company, the deposits are transferred upon departure of employees. The contributions payable are recognized as the expenses for the period; however, Shina Yih (Samoa) and Fair some (Samoa) do not have permanent employees.

For 2024 and 2023, the Group recognized the pension costs of \$28,577 thousand and \$27,307 thousand respectively under the defined contribution plan. The payments have been deposited into employees' individual accounts with the Bureau of Labor Insurance and the Bureau of Human Resource and Social Security.

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

(19) Income taxes

(i) Income tax expense

1. The components of income tax in the years 2024 and 2023 were as follows:

	For the years ended December 31	
	2024	2023
Current tax expense:		
Current period	\$ 26,340	39,009
Undistributed Earnings Levy	-	-
Adjustment for prior periods	579	3,582
		-
Deferred tax expense :		
Origination and reversal of temporary differences	28,148	38,732
Change in unrecognized deductible temporary differences	(7,415)	1,794
Income taxes	\$ 20,733	\$ 40,526

For 2024 and 2023, none of the amounts of income tax expenses have not been recognized in other comprehensive income.

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

	2024	2023
Profit excluding income tax	\$ 103,315	186,281
Income tax using the Company's domestic tax rate	\$ 20,663	37,256
Effect of tax rates in foreign jurisdiction	11,381	9,742
Other tax adjustments made pursuant to tax laws	(9,972)	(2,788)
Changes in unrecognized temporary differences	(5,399)	(3,407)
(Overestimate) underestimate of prior-year income taxes	1,229	(3,859)
Undistributed Earnings Levy	579	3,582
Recognition of income from controlled foreign corporations	2,252	-
Total	\$ 20,733	40,526

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
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(ii) Deferred tax assets and liabilities

1) 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	\$ 499,834	449,571
Unrecognized deferred tax liabilities	\$ 99,967	89,914

2) Unrecognized deferred tax

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2024	December 31, 2023
Tax effect of deductible Temporary Differences	\$ (267)	(334)
The carryforward of unused tax losses	1,759	1,799
	\$ 1,492	1,465

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

As of December 31, 2024, the information of the Group's unused tax losses for which no deferred tax assets were recognized are as follows:

Company	Year of loss	Unused operating loss Carry forwards	Expiration year
Chian Yih optotech	2022	\$ 489	2032
Chian Yih optotech	2023	8,307	2033
	Total	\$ 8,796	

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
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3) 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	Carry forward of unused tax losses	Other	Total
Deferred Tax Assets:				
Balance at January 1, 2024	\$ 900	20,052	1,321	22,273
Debit (credit) in income statement	(426)	-	24,746	24,320
Balance at December 31, 2024	<u>\$ 474</u>	<u>20,052</u>	<u>26,067</u>	<u>46,593</u>
Balance at January 1, 2023	\$ 761	20,052	1,234	22,047
Credit in income statement	139	-	87	226
Balance at December 31, 2023	<u>\$ 900</u>	<u>20,052</u>	<u>1,321</u>	<u>22,273</u>
	Equity-accounted investments	Unrealized foreign exchange gains		Total
Deferred Tax Liabilities: :				
Balance at January 1, 2024	\$ 11,497	3,371		14,868
Credit in income statement	5,426	11,479		16,905
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
Credit (debit) in income statement	4,627	(2,607)		2,020
Balance at December 31, 2023	<u>\$ 11,497</u>	<u>3,371</u>		<u>14,868</u>

3) Assessment of tax

The tax returns of the Company and its domestic subsidiaries have been examined and approved by the R.O.C. tax authorities as follows:

	<u>Approved year</u>
The Company	111
Chian Yih Optotech Co., Ltd.	111

(20) 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.

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

(i) 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.

(i) 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.

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.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

1) 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.

2) Special reserve

In accordance with the regulation set by the Financial Supervisory Commission, 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 pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions. The special reserve for the years ended December 31, 2024 and 2023 was \$148,454 thousand and \$130,082 thousand respectively.

3) 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>

The amount of cash dividends on the 2024 earnings distribution, approved during the board meeting on February 25, 2025.

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

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

(21) Earnings per share

(i) Basic earnings per share

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:

1) Profit attributable to ordinary shareholders of the Company

	For the years ended December 31	
	2024	2023
Net Profit attributable to ordinary shareholders of the Company	\$ <u><u>82,647</u></u>	<u><u>148,829</u></u>

2) Weighted average number of ordinary shares

	For the years ended December 31	
	2024	2023
Weighted average number of ordinary shares (in thousands)	<u><u>61,175</u></u>	<u><u>61,175</u></u>
Basic earnings per share (NT dollars)	\$ <u><u>1.35</u></u>	<u><u>2.43</u></u>

(ii) Diluted earnings per share

The details on the calculation of diluted earnings per share as of December 31, 2023 and 2022 was based on the profit attributable to ordinary shareholders of the Company amounting to \$82,647 thousand and \$148,829 thousand, and the weighted average number of ordinary shares outstanding after adjusting the effects of all dilutive potential ordinary shares of 61,484 thousand and 61,714 thousand, respectively, as follows:

1) Net profit attributable to ordinary shareholders of the Company (diluted)

	For the years ended December 31	
	2024	2023
Net profit attributable to ordinary shareholders of the Company (diluted)	\$ <u><u>82,647</u></u>	<u><u>148,829</u></u>

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
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2) Weighted average number of ordinary shares (diluted)

	For the years ended December 31	
	2024	2023
Weighted average number of ordinary shares(basic) (in thousands)	61,175	61,175
Effect of dilutive potential ordinary shares		
Effect of employee share bonus	309	539
Weighted average number of ordinary shares (after adjustment of potential diluted ordinary shares)	61,484	61,714
Diluted earnings per share (NT dollars)	\$ 1.34	2.41

(22) Revenue from contracts with customers

(i) Disaggregation of revenue

	2024	2023
<u>Primary geographical markets</u>		
Taiwan	\$ 461,553	533,423
China	714,102	875,754
Japan	49,286	55,371
The United States	233,908	380,996
Other countries	122,720	238,359
	\$ 1,581,569	2,083,903
<u>Major products/services lines</u>		
Backlight modules	\$ 1,376,917	1,892,803
Other	204,652	191,100
	\$ 1,581,569	2,083,903

(ii) Contract balances

	December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities	\$ 855	2,323	3,215

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 \$1,817 thousand and \$2,826 thousand, respectively.

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

(23) Remunerations of employees, directors, and supervisors

According to the Company's Articles of Incorporation, the Company should distribute its remuneration of not less than 2%~10% and not more than 2% of annual profits to its employees and directors respectively, after offsetting accumulated deficits, if any. Employees, including employees of affiliate companies that meet certain conditions, are subject to the abovementioned remuneration, which is to be distributed in stock or cash.

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. The amounts, as stated in the consolidated 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.

(24) Non-operating income and expenses

(i) Interest income

The details of interest income for the years ended December 31, 2024 and 2023 were as follows:

	2024	2023
Interest income from bank deposits	\$ <u><u>52,353</u></u>	<u><u>47,024</u></u>

(ii) Other income

The details of other income for the years ended December 31, 2024 and 2023 were as follows:

	2024	2023
Rent income	\$ 5,230	4,656
Government grants income	1,356	1,967
Other income	<u>5,198</u>	<u>7,343</u>
	\$ <u><u>11,784</u></u>	<u><u>13,966</u></u>

(iii) Finance costs

The details of finance costs for the years ended December 31, 2024 and 2023 were as follows:

	2024	2023
Interest expense on bank deposits	\$ 3,108	5,060
Implicit interest on leases	<u>227</u>	<u>164</u>
	\$ <u><u>3,335</u></u>	<u><u>5,224</u></u>

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

(25) Financial instruments

(i) Credit risk

1) Concentration of credit risk

As of December 31, 2024 and 2023, 41% and 45%, respectively, of account receivables were due to 1 customer. Thus, credit risk is significantly concentrated.

3) 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(7). As of December 31, 2024 and 2023, the Group's other receivables and CD (certificate of deposit) investments have no expected credit losses (ECLs).

(ii) Liquidity risk

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

	<u>Carrying amount</u>	<u>Contractual cash 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	-
Fixed-rate loan	6,000	6,126	6,126	-	-	-
Accounts payable (non-interest-bearing)	271,575	271,575	271,575	-	-	-
Other payables (non-interest-bearing)	89,481	89,481	89,481	-	-	-
Lease liabilities (fixed interest rate)	26,354	27,230	8,520	8,520	10,190	-
Guarantee deposits received	1,316	1,316	453	-	781	82
	<u>\$ 514,123</u>	<u>517,645</u>	<u>436,123</u>	<u>59,105</u>	<u>22,335</u>	<u>82</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
Fixed-rate loan	6,000	6,120	6,120	-	-	-
Accounts payable (non-interest-bearing)	357,115	357,115	357,115	-	-	-
Other payables (non-interest-bearing)	120,732	120,732	120,732	-	-	-
Lease liabilities (fixed interest rate)	7,666	7,750	5,590	2,160	-	-
Guarantee deposits received	1,173	1,173	238	-	856	79
	<u>\$ 675,364</u>	<u>681,008</u>	<u>555,571</u>	<u>62,531</u>	<u>59,619</u>	<u>3,287</u>

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

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(iii) Currency risk

1) Exposure to currency risk

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

(In thousands of foreign currencies)

	December 31, 2024			December 31, 2023		
	Foreign currency	Exchangerates	NTD	Foreign currency	Exchangerates	NTD
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 44,086	32.785	1,445,360	48,194	30.705	1,479,797
RMB	2,013	4.4918	9,042	2,656	4.3295	11,499
HKD	1,031	4.222	4,353	1,298	3.929	5,100
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	5,157	32.785	169,072	10,204	30.705	313,314
RMB	848	4.4918	3,809	649	4.3295	2,810
HKD	767	4.222	3,238	463	3.929	1,819

2) Sensitivity analysis

The Group'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, RMB and HKD as of December 31, 2024 and 2023, with all other variables remaining constant, would have increased or decreased profits after tax by \$10,261 thousand and \$9,428 thousand, respectively. The analysis is performed on the same basis for prior year.

3) Foreign exchange gain and loss on monetary items

Since the Group 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) amounted to \$82,653 thousand and \$2,212 thousand, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

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 Group management's assessment of the reasonably possible interest rate change.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
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If the interest rate had increased/decreased by 1%, the Group's profit after tax would have decreased/increased by \$7,888 thousand and \$6,216 thousand for 2024 and 2023 respectively, with all other variable factors remaining constant. This is mainly due to the Group's time deposit and borrowings at variable rates.

(v) Fair value information

1) Categories and fair values of financial instruments

The fair value of financial assets at FVTPL is measured on a recurring basis. The carrying amount and fair value of the Group'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:

		December 31, 2024			
		Fair value			Total
	Book Value	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	\$ 1,396,693	-	-	-	-
Accounts receivable	422,586	-	-	-	-
Other receivables (excluding tax refunds receivable)	4,410	-	-	-	-
Other financial assets — current	36,064	-	-	-	-
Other financial assets — non-current	<u>1,485</u>	-	-	-	-
Subtotal	\$ <u>1,861,238</u>	-	-	-	-
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 6,000	-	-	-	-
Accounts payables	271,575	-	-	-	-
Other payables (to related parties)	89,481	-	-	-	-
Long-term borrowings (including current portion)	119,397	-	-	-	-
Lease liabilities (current and non-current)	26,354	-	-	-	-
Guarantee deposits received	<u>1,316</u>	-	-	-	-
Subtotal	\$ <u>514,123</u>	-	-	-	-

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	December 31, 2023				
	Book Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Unlisted common shares	\$ <u>9,334</u>	-	-	9,334	9,334
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 1,052,016	-	-	-	-
Accounts receivable	558,607	-	-	-	-
Other receivables (excluding tax refunds receivable)	4,608	-	-	-	-
Other financial assets—current	246,764	-	-	-	-
Other financial assets—non-current	<u>1,382</u>	-	-	-	-
Subtotal	\$ <u><u>1,863,377</u></u>	-	-	-	-
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 6,000	-	-	-	-
Accounts payable	357,115	-	-	-	-
Other payables (to related parties)	120,732	-	-	-	-
Long-term borrowings (including current portion)	182,678	-	-	-	-
Lease liabilities (current and non-current)	7,666	-	-	-	-
Guarantee deposits received	<u>1,173</u>	-	-	-	-
Subtotal	\$ <u><u>675,364</u></u>	-	-	-	-

2) Valuation techniques for financial instruments not measured at fair value

The Group'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.

3) Transfers between Level 1 and Level 2

There were no transfers from one level to another level in 2024 and 2023.

4) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
	Unquoted equity instruments
Opening balance, January 1, 2024	\$ 9,334
In other comprehensive income	(88)
Ending Balance, December 31, 2024	\$ <u><u>9,246</u></u>
Opening balance, January 1, 2023	\$ 15,406
In other comprehensive income	(6,072)
Ending Balance, December 31, 2023	\$ <u><u>9,334</u></u>

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

The Group'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 Group'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 Group 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.

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.

- 6) 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

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
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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.

(26) Financial risk management

(i) Overview

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

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

In this note expressed the information on risk exposure and objectives, policies and procedures of risk measurement and management. For detailed information, please refer to the related notes of each risk.

(ii) Structure of risk management

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

The Group's risk management policies are established to identify and analyze the risks faced by the Group, 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 Group's activities. The Group, 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 Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group 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.

2) Investments

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

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
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3) Guarantees

The Group's policy is to provide financial guarantees only to wholly owned subsidiaries. At December 31, 2024, no other guarantees were outstanding (2023: none)

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group's reputation.

The Group 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 \$484,098 thousand and \$456,018 thousand, respectively.

(v) 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 Group'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.

1) Currency risk

The Group'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 Group, primarily the New Taiwan Dollars (NTD). The Group stay informed of international currency trend to adjust quotations for exporting. In addition, the Group keeps applying natural hedge to a substantial portion of its foreign currency receivables and payables to avoid currency risk.

2) Interest rate risk

The Group manages interest rate risk by maintaining an adequate combination of fixed and variable interest rates as well as utilizing interest rate swaps. The Group 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.

3) Other market price risk

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

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
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(27) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2024. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2024. Please refer to note 6(27) to the consolidated financial statements for the year ended December 31, 2024 for further details.

The Group'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 Group 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 Group 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.

As of December 31, 2024, the Group's capital management strategy is consistent with the prior year as of December 31, 2023. The Group's debt to equity ratio as of December 31, 2024 and 2023, were as follows:

	December 31, 2024	December 31, 2023
Total liabilities	\$ 556,498	734,747
Less: cash and cash equivalents	1,396,693	1,052,016
Net debt	<u><u>\$ (840,195)</u></u>	<u><u>(317,269)</u></u>
Total equity	<u><u>\$ 1,915,663</u></u>	<u><u>1,903,502</u></u>
Adjusted equity	<u><u>\$ 1,075,468</u></u>	<u><u>1,586,233</u></u>
Debt-to-equity ratio at 31 December	<u><u>(78.12)%</u></u>	<u><u>(20.00)%</u></u>

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

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Notes to the Consolidated Financial Statements

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

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

(i) Acquisition of leasehold assets, please refer to note 6(8).

(ii) The Group's reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes			
	January 1, 2024	Cash flows	Other changes	Foreign exchange movement	Fair value changes	December 31, 2024
Short-term borrowings	\$ 6,000	-	-	-	-	6,000
Long-term borrowings (including deferred revenues and current portion)	184,474	(64,637)	-	-	-	119,837
Lease liabilities	7,666	(8,013)	26,701	-	-	26,354
Guarantee deposits received	1,173	143	-	-	-	1,316
Total liabilities from financing activities	<u>\$ 199,313</u>	<u>(72,507)</u>	<u>26,701</u>	<u>-</u>	<u>-</u>	<u>153,507</u>

			Non-cash changes			
	January 1, 2023	Cash flows	Other changes	Foreign exchange movement	Fair value changes	December 31, 2023
Short-term borrowings	\$ 84,775	(79,946)	-	1,171	-	6,000
Long-term borrowings (including deferred revenues and current portion)	250,288	(65,814)	-	-	-	270,568
Lease liabilities	15,369	(7,876)	173	-	-	22,955
Guarantee deposits received	1,033	140	-	-	-	1,173
Total liabilities from financing activities	<u>\$ 351,465</u>	<u>(153,496)</u>	<u>173</u>	<u>1,171</u>	<u>-</u>	<u>199,313</u>

7 Related-party transactions

(1) Names and relationship with related parties

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

Name of related party	Relationship with the Group
Fair Some Industrial Limited (Fair Some (Hong Kong))	The Company's director is the entity's owner
Cheng Rong Investment Co., Ltd. (Cheng Rong Investment)	The entity's chairman is the second immediate family of the chairman of the Company (Note)

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
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(2) Significant transactions with related parties

(i) Borrowing from Related Parties

As of December 31, 2024 and 2023, the Group's borrowings from other related parties amounted to \$6,000 thousand; please refer to note 6(12). The aforementioned borrowings from related parties are unsecured, the interest charged to the Group is calculated based on the average interest rate imposed on the related parties' loans from financial institutions. As of December 31, 2024 and 2023, the Group's interest expense other related parties amounted to \$140 thousand and \$134 thousand respectively.

(ii) Others

The outstanding balances arising from other transactions such as customs declaration fees by other related parties on behalf of the Group were included in other payables.

	December 31, 2024	December 31, 2023
Other related parties	\$ 291	269

(3) Key management personnel compensation

Key management personnel compensation comprised:

	2024	2023
Short-term employee benefits	\$ 12,525	15,640
Post-employment benefits	362	365
Termination benefits	-	-
Other long-term benefits	-	-
Share-based payments	-	-
	\$ 12,887	16,005

The Group has not provided non-monetary benefits such as housing, cars and other vehicles for key management.

8 Pledged assets:

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
		\$ 26,333	34,685

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
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9 Commitments and contingencies: None

10 Losses due to major disasters: None

11 Subsequent events: None

12 Other:

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

By item	By function	2024			2023		
		Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits							
Salary		281,378	102,294	383,672	429,585	134,893	564,478
Labor and health insurance		10,661	7,257	17,918	9,935	6,695	16,630
Pension		20,856	7,721	28,577	23,101	7,540	30,641
Remuneration of directors		-	6,358	6,358	-	7,979	7,979
Others		17,092	3,273	20,365	22,782	2,875	25,657
Depreciation		74,324	13,981	88,305	81,023	18,867	99,890
Amortization		33	2,060	2,093	36	190	226

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated 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 Group:

(i) 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	759,689
0	The Company	FAIR LUMI (DONGGUAN)	Loans receivable from related parties	Yes	96,255	32,785	-	- %	2	-	Working capital	-	No	-	474,181	759,689

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.

(ii) 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.

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(iii) 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				Highest balance during the year		Note
				Shares/Units (thousands)	Book value	Percentage of ownership (%)	Fair value	Shares/Units (thousands)	Percentage of ownership (%)	
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	2,534	15.83 %	

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

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

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

(vii) 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)	(Note 3)	(56,727)	51.28%	
The Company	FAIR LUMI (DONGGUAN)	The Company's subsidiary	Purchase	259,225	40.13%	O/A 30 days	(Note 2)	(Note 3)	(46,038)	41.62%	
SHIAN YIH (DONGGUAN)	The Company	The Company's subsidiary	Sale	321,217	35.51%	O/A 30 days	(Note 1)	(Note 3)	56,727	22.84%	
FAIR LUMI (DONGGUAN)	The Company	The Company's subsidiary	Sale	259,225	53.06%	O/A 30 days	(Note 2)	(Note 3)	46,038	32.09%	
SHIAN YIH (DONGGUAN)	FAIR LUMI (DONGGUAN)	Associates	Purchase	106,829	19.09%	O/A 30 days	General trading terms	(Note 3)	(72,499)	29.03%	
FAIR LUMI (DONGGUAN)	SHIAN YIH (DONGGUAN)	Associates	Sale	106,829	21.87%	O/A 30 days	General trading terms	(Note 3)	72,499	50.53%	

Note 1: Calculated as 70% to 85% of selling prices of the Company's products.

Note 2: Calculated as 85% to 93% of selling prices of the Company's products.

Note 3: Payment term is O/A 30 days. In addition to the established credit policies, the operating capital status of related parties is also considered.

Note 4 :The above transactions were eliminated when compiling the consolidated financial statements.

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

(ix) Trading in derivative instruments: None

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(x) Business relationships and significant intercompany transactions:

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions (2022)			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	FAIR LUMI (DONGGUAN)	1	Sale	2,380	Note 4	0.15%
0	The Company	SHIAN YIH (DONGGUAN)	1	Sale	1,325	Note 3	0.08%
0	The Company	FAIR LUMI (DONGGUAN)	1	Purchase	259,225	Note 4	16.39%
0	The Company	SHIAN YIH (DONGGUAN)	1	Purchase	321,217	Note 3	20.31%
0	The Company	FAIR LUMI (DONGGUAN)	1	Trade payable	46,038	Note 5	1.87%
0	The Company	SHIAN YIH (DONGGUAN)	1	Trade payable	56,727	Note 5	2.30%
0	The Company	FAIR LUMI (DONGGUAN)	3	Endorsement guaranteed	32,785	In compliance with the Regulations Governing Endorsement/Guarantee	1.33%
0	The Company	SHIAN YIH (DONGGUAN)	3	Endorsement guaranteed	131,140	In compliance with the Regulations Governing Endorsement/Guarantee	5.32%
1	SHIAN YIH (DONGGUAN)	FAIR LUMI (DONGGUAN)	3	Trade payabl	106,829	Same as arm's length transaction	6.75%
1	SHIAN YIH (DONGGUAN)	FAIR LUMI (DONGGUAN)	3	Trade payable	72,499	Same as arm's length transaction	2.94%

Note 1: "0" represents the parent; subsidiaries are sequentially numbered starting from "1".

Note 2: Relationships with transaction counterparties are numbered as follows:

1. Parent and subsidiary.
2. Subsidiary and parent.
3. Associates.

Note 3: Calculated as 70% to 85% of the selling prices of products.

Note 4: Calculated as 85% to 93% of the selling prices of products.

Note 5: Payment term is O/A 30 days. In addition to the established credit policies, the operating capital status of related parties is also considered.

Note 6: The above transactions were eliminated when compiling the consolidated financial statements.

(2) Information on investees:

The following is the information on investees for the year 2023 (excluding information on 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			Highest balance during the year		Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2024	December 31, 2023	Shares (thousands)	Percentage of ownership	Book value	Shares/Units (thousands)	Percentage of ownership			
The Company	Shian Yih (Samoa)	Samoa	Investment	348,724 (USD 10,500)	348,724 (USD 10,500)	10,500	100.00 %	840,682	10,500	100 %	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	6,500	50 %	(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)	10,500	100 %	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)	16,650	100 %	16,701 (USD 520)	16,701 (USD 520)	

Note 1: Equity-accounted investment gains of \$52,254 thousand; the unalized margins for the period amounted to \$596 thousand.

Note 2: The above transactions were eliminated when compiling the consolidated financial statements.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
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(3) Information on investment in mainland China:

(i) 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	Accumulated 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))	16,650 (Note 3)	-	-	USD 16,650 (Note 3)	100 %	16,956 (USD\$ 528) (Note 2)	340,429 (USD\$ 10,384) (Note 4)	-
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) (Note 2)	331,779 (USD\$ 0,120) (Note 4)	-

(ii) 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:32.1255, 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.

Note 6: The above transactions were eliminated when compiling the consolidated financial statements.

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 威洋 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.

(iii) 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".

(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 %

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14 Segment information:

(1) General information

The Group's sole reportable segment is the Backlight Module Segment. The back light module segment principally engages in the manufacture and sale of products related to back light modules. The Group's reportable segment profit (loss), segment assets, and segment liabilities were consistent with those stated in the consolidated financial statements; please refer to the consolidated balance sheet and statement of comprehensive income.

(2) Reportable segments (including certain reportable segment incomes and expenses), segment assets, segment liabilities, measurement basis, and reconciliations

The Group uses the internal management report that the chief operating decision maker reviews as the basis to determine resource allocation and make a performance evaluation. The Group's reportable segment profit (loss), segment assets, and segment liabilities were consistent with those stated in the consolidated financial statements; please refer to the consolidated balance sheet and statement of comprehensive income.

(3) Product and service information

Revenue from the external customers of the Group ,please refer to note 6(22).

(4) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2024 and 2023, were as follows:

<u>Geographical information</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Non-current assets:		
Taiwan	\$ 87,978	102,723
China	<u>175,018</u>	<u>192,140</u>
	<u>\$ 262,996</u>	<u>294,863</u>

Non-current assets include property, plant and equipment, investment property, intangible assets, and other assets, not including financial instruments, deferred tax assets, pension fund assets, and rights arising from an insurance contract non-current.

(5) Major customer

	<u>2024</u>	<u>2023</u>
Sales revenue—Company A	<u>\$ 491,904</u>	<u>619,691</u>