

WIESON TECHNOLOGIES
CO., LTD. and Subsidiaries

Consolidated Financial Statements
& Independent Auditor's Report
For the years ended December 31, 2024 and 2023

Address: 15F-1, No. 237, Section 1, Datong Road, Xizhi
District, New Taipei City
TEL: (02)2647-1896

§Table of Contents§

<u>ITEM</u>	<u>PAGE</u>	<u>NO. OF NOTES TO FINANCIAL STATEMENTS</u>
I. Cover Page	1	-
II. Table of Contents	2	-
III. Representation Letter	3	-
IV. Independent Auditor's Report	4~8	-
V. Consolidated Statements of Financial Position	9	-
VI. Consolidated Statements of Comprehensive Income	10~11	-
VII. Consolidated Statements of Changes in Equity	12	-
VIII. Consolidated Statements of Cash Flows	13~14	-
IX. Notes to Consolidated Financial Statements		
(I) Company History	15	I
(II) Date and Procedure for Approval of Financial Statements	15	II
(III) Application of New and Revised Standards and Interpretations	15~20	III
(IV) Summary of Significant Accounting Policies	20~34	IV
(V) Significant Accounting Judgments, Assumptions, and Major Sources of Estimation Uncertainty	34~35	V
(VI) Explanation of Significant Accounting Items	34~72	VI~XXIX
(VII) Related Party Transactions	72~75	XXX
(VIII) Pledged Assets	75	XXXI
(IX) Significant Contingent Liabilities and Unrecognized Commitments	75	XXXII
(X) Losses Due to Major Disasters	-	-
(XI) Significant Subsequent Events	-	-
(XII) Others	75	XXXIII
(XIII) Other Disclosures		
1. Information on Significant Transactions	77	XXXIV
2. Information on Investees	77	XXXIV
3. Information on Investment in Mainland China	77~78	XXXIV
(XIV) Segment Information	78~81	XXXV

Representation Letter

We hereby declare that we have confirmed the entities which shall be included in the consolidated financial statements of the affiliates and the ones which shall be included in the consolidated financial statements in accordance with IFRS 10 are identical; the related information has been disclosed in consolidated financial statements and will hence not be included in consolidated financial statements of affiliated enterprises for the year ended December 31, 2024 (from January 1, 2024 to December 31, 2024) in accordance with "Criteria Governing Preparation of Affiliation Reports and Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises."

Declared by

Company Name: WIESON TECHNOLOGIES CO., LTD.

Person in Charge: CHEN, HUNG-CHIN

March 11, 2025

Independent Auditor's Report

To the Board of Directors and Shareholders of WIESON TECHNOLOGIES CO., LTD.:

Audit Opinion

We have audited the accompanying consolidated statements of financial position of WIESON TECHNOLOGIES CO., LTD. and its subsidiaries (WIESON GROUP) as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows, and notes to the consolidated financial statements (including a summary of significant accounting policies) for the years then ended.

In our opinion, based on our audits, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of WIESON GROUP as of December 31, 2024 and 2023, and the consolidated financial performance and cash flows for the years then ended, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by Financial Supervisory Commission (FSC).

Basis for the Audit Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Generally Accepted Auditing Standards of the Republic of China. Our responsibilities under those standards are further described in the paragraph on the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements of our report. The staff of the CPA firm subject to the requirement for independence have maintained independence from WIESON GROUP in accordance with the Norm of Professional Ethics for Certified Public Accountants, and have fulfilled other responsibilities under the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of WIESON GROUP for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the consolidated financial statements of WIESON GROUP for the year ended December 31, 2024 are stated as follows:

Authenticity of the occurrence of sales revenues from certain specific sales customers

WIESON GROUP's principal source of revenues is the sale of interconnect components and automotive components. Since changes in major sales customers have a significant impact on the financial statements and sales revenues are inherently of high risk, we identified customers whose sales revenue meets certain criteria and listed the assessment of the authenticity of shipments of the sales revenue transactions of these sales customers to be a key audit matter. Please refer to Note 4(13) to the Consolidated Financial Statements for the accounting policy on revenue recognition.

We performed the following audit procedures:

1. To understand the design and implementation of internal control over revenue recognition for specific sales customers mentioned above;
2. To review relevant supporting documents and test the collection status of the revenues from the aforementioned specific sales customers to confirm that the shipment of sales transactions has occurred.

Other Matters

WIESON TECHNOLOGIES CO., LTD. has prepared the parent company only financial statements for the years ended December 31, 2024 and 2023, to which we have also issued an independent auditor's report with unqualified opinion on record for reference.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by Financial Supervisory Commission, and for necessary 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 the preparation of the consolidated financial statements, the management is responsible for also evaluating the ability of WIESON GROUP to continue as going concerns and disclosing related matters and adopting the accounting basis for going concerns, among others, unless management intends to liquidate WIESON GROUP or discontinue operation or there are no other actually feasible solutions than liquidation or discontinued operation.

Those charged with governance, Including the Audit Committee, are responsible for overseeing the financial reporting process of WIESON GROUP.

Auditor's 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. The term of "reasonable assurance" refers to high level of assurance. Nevertheless, the audit performed according to the Auditing Standards cannot guarantee the discovery of material misstatement in the consolidated financial statements. Misstatements can arise from fraud or error. Misstatements 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 the consolidated financial statements.

As part of an audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risk of material misstatement of the consolidated financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the 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 internal control of WIESON GROUP.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.
4. Reach a conclusion with regard to the adequacy of the accounting basis adopted to continue with operation by the management and whether significant uncertainties of events or conditions that might result in significant concerns about the ability of WIESON GROUP to continue with operation exist or not according to the evidence obtained from the audit. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's

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 auditor's report. Future events or circumstances may cause WIESON GROUP to cease to have the ability to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including relevant notes, 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 of the GROUP, and express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the GROUP. 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.

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 WIESON GROUP for the years ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's 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.

Deloitte Taiwan

CPACHIH, JUI-CHUAN

CPAHSIEH, CHIEN-HSIN

Financial Supervisory Commission
Approval Document No.

Jin-Guan-Zheng-Shen-Zi No.
1060023872

Securities and Futures Bureau Approval
Document No.

Tai-Cai-Zheng-VI-Zi No. 0920123784

April 15, 2025

WIESON TECHNOLOGIES CO., LTD. and Subsidiaries
Consolidated Statements of Financial Position
December 31, 2024 and 2023

Unit: In Thousands of NTD

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 6 and 30)	\$ 116,526	3	\$ 211,474	7
1136	Financial assets at amortized cost - current (Notes 8, 9, 30 and 32)	119,366	3	3,040	-
1150	Notes receivable (Notes 10, 30 and 32)	240,975	7	282,281	9
1170	Accounts receivable (Notes 10, 23 and 30)	1,098,033	29	866,195	27
1200	Other receivables (Notes 30)	9,274	-	3,706	-
1220	Current income tax assets (Note 25)	722	-	698	-
130X	Inventories (Note 11)	618,535	16	454,772	14
1410	Prepayments (Note 17)	72,015	2	45,263	1
1479	Other current assets (Note 17)	<u>3,290</u>	<u>-</u>	<u>1,993</u>	<u>-</u>
11XX	Total current assets	<u>2,278,736</u>	<u>60</u>	<u>1,869,422</u>	<u>58</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 7 and 30)	24,627	1	47,388	2
1600	Property, plant and equipment (Notes 13, 31 and 32)	1,154,342	30	994,847	31
1755	Right-of-use assets (Notes 14, 31 and 32)	150,667	4	60,695	2
1760	Investment property (Notes 15 and 32)	39,138	1	39,595	1
1780	Intangible assets (Note 16)	64,778	2	60,405	2
1840	Deferred income tax assets (Note 25)	43,754	1	69,643	2
1915	Prepayments for equipment (Notes 17 and 33)	30,936	1	45,052	1
1920	Refundable deposits (Notes 30 and 31)	15,207	-	14,884	1
1975	Net defined benefit assets - non-current (Note 21)	3,114	-	2,821	-
1990	Other non-current assets (Note 17)	<u>339</u>	<u>-</u>	<u>389</u>	<u>-</u>
15XX	Total non-current assets	<u>1,526,902</u>	<u>40</u>	<u>1,335,719</u>	<u>42</u>
1XXX	Total assets	<u>\$ 3,805,638</u>	<u>100</u>	<u>\$ 3,205,141</u>	<u>100</u>
	Liabilities and equity				
	Current liabilities				
2100	Short-term loans (Notes 18, 30 and 32)	\$ 359,565	10	\$ 621,879	19
2130	Contract liabilities - current (Note 23)	24,876	1	20,876	1
2150	Notes payable (Note 30)	207	-	99,714	3
2170	Accounts payable (Note 30)	798,514	21	553,585	17
2200	Other payables (Notes 19 and 30)	181,717	5	128,892	4
2230	Current income tax liabilities (Note 25)	12,657	-	14,265	1
2250	Provision for liabilities - current (Note 20)	4,119	-	2,457	-
2280	Lease liabilities - current (Notes 14, 30 and 31)	10,547	-	10,676	-
2320	Long-term loans due within one year (Notes 18, 30 and 32)	75,903	2	49,802	2
2399	Other current liabilities	<u>41,895</u>	<u>1</u>	<u>32,847</u>	<u>1</u>
21XX	Total current liabilities	<u>1,510,000</u>	<u>40</u>	<u>1,534,993</u>	<u>48</u>
	Non-current liabilities				
2540	Long-term loans (Notes 18, 30 and 32)	606,229	16	356,242	11
2570	Deferred income tax liabilities (Note 25)	168,014	4	143,261	4
2580	Lease liabilities - non-current (Notes 14, 30 and 31)	1,602	-	22,718	1
2630	Long-term deferred revenue	6,261	-	6,686	-
2645	Deposits received (Notes 30 and 31)	<u>1,058</u>	<u>-</u>	<u>191</u>	<u>-</u>
25XX	Total non-current liabilities	<u>783,164</u>	<u>20</u>	<u>529,098</u>	<u>16</u>
2XXX	Total liabilities	<u>2,293,164</u>	<u>60</u>	<u>2,064,091</u>	<u>64</u>
	Equity attributable to owners of the Company (Note 22)				
3110	Common stock	<u>726,640</u>	<u>19</u>	<u>666,640</u>	<u>21</u>
3200	Capital surplus	<u>154,273</u>	<u>4</u>	<u>8,797</u>	<u>-</u>
	Retained earnings				
3310	Legal reserve	133,439	3	127,970	4
3320	Special reserve	19,826	1	5,067	-
3350	Undistributed earnings	<u>341,416</u>	<u>9</u>	<u>230,561</u>	<u>7</u>
3300	Total retained earnings	<u>494,681</u>	<u>13</u>	<u>363,598</u>	<u>11</u>
3400	Other equity	(<u>3,747</u>)	<u>-</u>	(<u>19,826</u>)	<u>-</u>
31XX	Total owners' equity of the Company	1,371,847	36	1,019,209	32
36XX	Non-controlling interests	<u>140,627</u>	<u>4</u>	<u>121,841</u>	<u>4</u>
3XXX	Total equity	<u>1,512,474</u>	<u>40</u>	<u>1,141,050</u>	<u>36</u>
	Total liabilities and equity	<u>\$ 3,805,638</u>	<u>100</u>	<u>\$ 3,205,141</u>	<u>100</u>

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

Chairperson: CHEN, HUNG-CHIN

Managerial Officer: CHEN, CHENG-HUANG

Accounting Officer: HU, YU-WEI

WIESON TECHNOLOGIES CO., LTD. and Subsidiaries

Consolidated Statements of Comprehensive Income

January 1 to December 31, 2024 and 2023

Unit: In Thousands of NTD,
except EPS in NTD

Code		2024		2023	
		Amount	%	Amount	%
4000	Operating revenues (Note 23)	\$ 3,083,420	100	\$ 2,648,021	100
5000	Operating costs (Notes 11 and 24)	(2,298,963)	(75)	(2,069,128)	(78)
5900	Operating gross profit	784,457	25	578,893	22
	Operating expenses (Notes 24 and 31)				
6100	Selling expenses	(176,569)	(6)	(159,280)	(6)
6200	Administrative expenses	(256,168)	(8)	(187,196)	(7)
6300	R & D expenses	(163,740)	(5)	(145,936)	(5)
6450	Reversal of expected credit losses	6,396	-	2,856	-
6000	Total operating expenses	(590,081)	(19)	(489,556)	(18)
6900	Net operating profit	194,376	6	89,337	4
	Non-operating Income and Expenses (Notes 24 and 31)				
7100	Interest income	6,667	-	2,612	-
7010	Other income	5,271	-	2,335	-
7020	Other gains and losses	69,427	3	26,667	1
7050	Finance costs	(30,033)	(1)	(26,762)	(1)
7000	Total non-operating Income and Expenses	51,332	2	4,852	-
7900	Net profit before tax	245,708	8	94,189	4
7950	Income tax expense (Note 25)	(70,180)	(2)	(23,206)	(1)
8200	Net profit for the year	175,528	6	70,983	3

(Continued on next page)

(Continued from previous page)

Code		2024		2023	
		Amount	%	Amount	%
8310	Other comprehensive income				
	Items that will not be reclassified				
	subsequently to profit or loss:				
8311	Remeasurement of defined benefit				
	plan (Note 21)	\$ 254	-	\$ 15	-
8316	Unrealized valuation gains or losses				
	on investments in equity				
	instruments at fair value through				
	other comprehensive income				
	(Note 22)	(20,442)	(1)	9,103	-
8349	Income tax related to items that will				
	not be reclassified subsequently				
	to profit or loss (Notes 22 and 25)	(51)	-	(3)	-
		(20,239)	(1)	9,115	-
8360	Items that may be reclassified				
	subsequently to profit or loss:				
8361	Exchange differences on translation				
	of foreign financial statements				
	(Note 22)	49,913	1	(32,042)	(1)
8399	Income tax related to items that may				
	be reclassified subsequently to				
	profit or loss (Notes 22 and 25)	(9,096)	-	5,963	-
		40,817	1	(26,079)	(1)
8300	Other comprehensive income for the				
	year (net of tax)	20,578	-	(16,964)	(1)
8500	Total comprehensive income for the				
	year	\$ 196,106	6	\$ 54,019	2
	Net profit attributable to:				
8610	Owners of the Company	\$ 154,212	5	\$ 54,679	2
8620	Non-controlling interests	21,316	1	16,304	1
8600		\$ 175,528	6	\$ 70,983	3
	Total comprehensive income				
	attributable to:				
8710	Owners of the Company	\$ 170,494	5	\$ 39,932	1
8720	Non-controlling interests	25,612	1	14,087	1
8700		\$ 196,106	6	\$ 54,019	2
	Earnings per share (Note 26)				
9750	Basic	\$ 2.28		\$ 0.82	
9850	Diluted	\$ 2.27		\$ 0.81	

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

Chairperson: CHEN, HUNG -
CHIN

Managerial Officer: CHEN,
CHENG-HUANG

Accounting Officer: HU, YU -
WEI

WIESON TECHNOLOGIES CO., LTD. and Subsidiaries

Consolidated Statements of Changes in Equity

January 1 to December 31, 2024 and 2023

Unit: In Thousands of NTD

		Equity attributable to owners of the Company							Other equity			
		Stock capital		Retained earnings			Exchange differences on translation of foreign financial statements		Unrealized valuation gains or losses on financial assets at fair value through other comprehensive income	Total	Non-controlling interests	Total equity
Code		Number of shares (in thousands of shares)	Amount	Capital surplus	Legal reserve	Special reserve	Undistributed earnings					
A1	Balance at January 1, 2023	66,664	\$ 666,640	\$ 8,797	\$ 119,359	\$ 9,280	\$ 203,600	(\$ 2,341)	(\$ 2,726)	\$ 1,002,609	\$ 117,281	\$ 1,119,890
	Appropriation and distribution of earnings for 2022											
B1	Legal reserve	-	-	-	8,611	-	(8,611)	-	-	-	-	-
B3	Special reserve	-	-	-	-	(4,213)	4,213	-	-	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	-	(23,332)	-	-	(23,332)	-	(23,332)
D1	Net profit for 2023	-	-	-	-	-	54,679	-	-	54,679	16,304	70,983
D3	Other comprehensive income after tax for 2023	-	-	-	-	-	12	(23,862)	9,103	(14,747)	(2,217)	(16,964)
D5	Total comprehensive income for 2023	-	-	-	-	-	54,691	(23,862)	9,103	39,932	14,087	54,019
O1	Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(9,527)	(9,527)
Z1	Balance at December 31, 2023	66,664	666,640	8,797	127,970	5,067	230,561	(26,203)	6,377	1,019,209	121,841	1,141,050
E1	Cash capital increase	6,000	60,000	144,000	-	-	-	-	-	204,000	-	204,000
	Appropriation and distribution of earnings for 2023											
B1	Legal reserve	-	-	-	5,469	-	(5,469)	-	-	-	-	-
B17	Special reserve	-	-	-	-	14,759	(14,759)	-	-	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	-	(23,332)	-	-	(23,332)	-	(23,332)
N1	Changes in other capital surplus: Share-based payment transaction	-	-	1,476	-	-	-	-	-	1,476	-	1,476
D1	Net profit for 2024	-	-	-	-	-	154,212	-	-	154,212	21,316	175,528
D3	Other comprehensive income after tax for 2024	-	-	-	-	-	203	36,521	(20,442)	16,282	4,296	20,578
D5	Total comprehensive income for 2024	-	-	-	-	-	154,415	36,521	(20,442)	170,494	25,612	196,106
O1	Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(6,826)	(6,826)
Z1	Balance at December 31, 2024	72,664	\$ 726,640	\$ 154,273	\$ 133,439	\$ 19,826	\$ 341,416	\$ 10,318	(\$ 14,065)	\$ 1,371,847	\$ 140,627	\$ 1,512,474

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

Chairperson: CHEN, HUNG-CHIN

Managerial Officer: CHEN, CHENG-HUANG

Accounting Officer: HU, YU-WEI

WIESON TECHNOLOGIES CO., LTD. and Subsidiaries

Consolidated Statements of Cash Flows

January 1 to December 31, 2024 and 2023

Unit: In Thousands of NTD

Code		2024	2023
	Cash flows from operating activities		
A10000	Net profit before tax for the year	\$ 245,708	\$ 94,189
A20010	Adjustments to reconcile profit or loss:		
A20100	Depreciation expenses	120,507	116,299
A20200	Amortization expenses	11,394	9,543
A20300	Reversal of expected credit impairment losses	(6,396)	(2,856)
A20400	Net loss on financial assets at fair value through profit or loss	-	2,433
A20900	Finance costs	30,033	26,762
A21200	Interest income	(6,667)	(2,612)
A21300	Dividend income	(3,324)	(795)
A21900	Remuneration cost of share-based payments	1,476	-
A22500	Loss (Gain) on disposal of property, plant and equipment	1,893	(24)
A22800	Loss (Gain) on disposal of intangible assets	(5)	118
A22900	Gain on lease modification	-	(6)
A23700	(Reversal of) Impairment loss on property, plant and equipment	(89)	1,134
A23800	(Reversal of) Loss on decline in value of inventories and obsolescence	(18,015)	16,822
A30000	Net changes in operating assets and liabilities		
A31115	Financial assets mandatorily measured at fair value through profit or loss	-	(2,433)
A31130	Notes receivable	41,790	(123,317)
A31150	Accounts receivable	(226,182)	(2,915)
A31180	Other receivables	(2,818)	7,073
A31200	Inventories	(152,803)	40,918
A31230	Prepayments	(25,664)	(19,740)
A31240	Other current assets	(1,297)	1,254
A32125	Contract liabilities	4,000	7,025
A32130	Notes payable	(99,507)	31,970
A32150	Accounts payable	244,929	10,650
A32180	Other payables	52,869	(10,965)
A32200	Provision for liabilities	1,662	224
A32210	Deferred revenue	(425)	6,686
A32230	Other current liabilities	9,048	(784)
A32240	Net defined benefit assets	(39)	(48)
A33000	Cash generated from operations	222,078	206,605
A33100	Interest received	3,917	2,610

(Continued on next page)

(Continued from previous page)

Code		2024	2023
A33300	Interest paid	(\$ 29,005)	(\$ 25,516)
A33500	Income tax paid	(30,026)	(11,925)
AAAA	Net cash inflows from operating activities	<u>166,964</u>	<u>171,774</u>
	Cash flows from investing activities		
B00030	Return of share payment in connection with capital reduction of financial assets at fair value through other comprehensive income	3,224	2,339
B00040	Acquisition of financial assets at amortized cost	(116,326)	(69)
B02700	Purchase of property, plant and equipment	(226,387)	(34,223)
B02800	Proceeds from disposal of property, plant and equipment	2,143	1,471
B03700	Increase in refundable deposits	(323)	-
B03800	Decrease in refundable deposits	-	579
B04500	Purchase of intangible assets	(12,970)	(24,319)
B04600	Proceeds from disposal of intangible assets	628	-
B05400	Acquisition of investment property	(843)	-
B06800	Decrease (Increase) in other non-current assets	50	(82)
B07100	Increase in prepayments for equipment	(28,895)	(43,173)
B07600	Receipts of other dividends	3,324	795
B09900	Acquisition of right-of-use assets	(76,095)	-
BBBB	Net cash outflows from investing activities	(<u>452,470</u>)	(<u>96,682</u>)
	Cash flows from financing activities		
C00100	Increase in short-term loans	-	153,415
C00200	Decrease in short-term loans	(262,314)	-
C01600	Proceeds from long-term loans	409,106	221,887
C01700	Repayment of long-term loans	(135,422)	(281,224)
C03000	Increase in deposits received	867	-
C03100	Return of deposits received	-	(192)
C04020	Principal repayment of lease liabilities	(24,028)	(22,847)
C04500	Payment of cash dividends	(23,332)	(23,332)
C04600	Cash capital increase	204,000	-
C05800	Decrease in non-controlling interests	(6,826)	(9,527)
CCCC	Net cash inflows from financing activities	<u>162,051</u>	<u>38,180</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>28,507</u>	(<u>21,189</u>)
EEEE	Net (decrease) increase in cash and cash equivalents	(94,948)	92,083
E00100	Cash and cash equivalents at the beginning of the year	<u>211,474</u>	<u>119,391</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 116,526</u>	<u>\$ 211,474</u>

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

Chairperson: CHEN, HUNG-CHIN

Managerial Officer: CHEN, CHENG-HUANG

Accounting Officer: HU, YU-WEI

WIESON TECHNOLOGIES CO., LTD. and Subsidiaries

Notes to Consolidated Financial Statements

January 1 to December 31, 2024 and 2023

(The amounts are in thousands of NTD, unless otherwise stated)

I. Company History

WIESON TECHNOLOGIES CO., LTD. (hereinafter referred to as “the Company”) was established on January 13, 1990 under a business license issued by the Ministry of Economic Affairs. The Company is mainly engaged in the trading and import/export business of a wide range of electronic connectors, computer I/O peripherals, plug & socket cable assemblies, controlled telecom radio-frequency devices, and wireless telecom mechanical devices. In December 2002, the Company's shares were approved by Taipei Exchange to be traded on the emerging stock market.

The consolidated financial statements are expressed in NTD, the Company's functional currency.

II. Date and Procedure for Approval of Financial Statements

The consolidated financial statements were approved by the Board of Directors on March 11, 2025.

III. Application of New and Revised Standards and Interpretations

(I) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee's Interpretations (IFRIC), and Standing Interpretations Committee's Pronouncements (SIC) (collectively, “IFRSs”) endorsed and issued into effect by Financial Supervisory Commission (hereinafter referred to as “FSC”).

Except for the following explanations, the application of the amendments to IFRSs endorsed and issued into effect by FSC will not have a significant effect on the Consolidated Company's accounting policies.

Amendments to IAS 1 “Classification of liabilities as current or non-current” (amended in 2020) and “Non-current liabilities with contractual terms” (amended in 2022)

The 2020 amendments clarify that in determining whether a liability is classified as non-current, the Consolidated Company should assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. If the Consolidated Company has such a right at the end of

the reporting period, the liability is classified as non-current regardless of whether the Consolidated Company expects to exercise the right.

The 2020 amendments also provide that if the Consolidated Company is required to comply with certain conditions in order to have the right to defer the settlement of a liability, the Consolidated Company must have complied with the conditions as of the end of the reporting period, even if the lender tests the Consolidated Company's compliance with the conditions at a later date. The 2022 amendments further clarify that only contractual terms that are required to be complied with prior to the end of the reporting period affect the classification of the liability. Contractual terms that are required to be complied with within 12 months after the reporting period do not affect the classification of liabilities, but information must be disclosed so that users of financial statements are aware of the risk that the Consolidated Company may not be able to comply with the contractual terms and be required to make repayments within 12 months after the reporting period.

The 2020 amendments provide that, for the purpose of classification of liabilities, the foregoing settlement refers to the extinguishment of a liability resulting from the transfer of cash, other economic resources or equity instruments of the Consolidated Company to the counterparty. However, if the terms of the liability provide that it can be extinguished by transferring an equity instrument of the Consolidated Company to the counterparty at the latter's option, and if the option is recognized separately in equity in accordance with IAS 32, "Financial Instruments: Presentation", the foregoing terms do not affect the classification of the liability.

(II) IFRSs endorsed by FSC applicable in 2025

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 "Amendments to Classification and Measurement of Financial Instruments" on the guidelines as to the application of classification of financial assets	January 1, 2026 (Note 2)

Note 1: Applicable to annual reporting periods beginning on or after January 1, 2025 on initial application of the amendments, the comparative periods shall not be restated and the effect shall be recognized in exchange differences on translation of foreign financial statements under retained earnings or equity

(as appropriate), and the related affected assets and liabilities as of the date of initial application.

Note 2: Applicable for annual reporting periods beginning on or after January 1, 2026, with an option for early application from January 1, 2025 for the enterprise. On initial application, the amendment shall be applied retroactively but without restatement of the comparative periods, with the effect of the initial application recognized at the date of initial application. However, if the enterprise is able to restate the comparative periods without the use of hindsight, it may choose to restate the comparative periods.

1. Amendments to IAS 21 “Lack of Exchangeability”

The amendments provide that exchangeability exists when an enterprise is able to exchange one currency for another within the timeframe of a normal administrative delay, through an exchange transaction with enforceable rights and obligations established in a market or exchange mechanism. When a currency lacks exchangeability at the measurement date, the Consolidated Company shall estimate a spot rate that reflects the exchange rate that would be used if market participants were to engage in orderly transactions at the measurement date, with the prevailing economic conditions taken into account. In such a case, the Consolidated Company should also disclose information that would enable users of the financial statements to evaluate how the lack of currency exchangeability has affected, or is expected to affect, its results of operations, financial position and cash flows.

2. Amendments to IFRS 9 and IFRS 7 “Amendments to Classification and Measurement of Financial Instruments” on the guidelines as to the application of classification of financial assets

The amendments primarily modify the classification requirements for financial assets, including:

- (1) If a financial asset contains a contingency that changes the timing or amount of contractual cash flows and the nature of the contingency is not directly related to changes in the underlying lending risks and costs (e.g., whether or not the debtor achieves a specified reduction in carbon emissions), the contractual cash flows of this type of financial asset are entirely only payments of principal and interest on the outstanding principal when the following two conditions are met:

- The contractual cash flows arising from all possible scenarios (or before or after the occurrence of the contingency) are entirely payments of principal and interest on the outstanding principal; and
 - the contractual cash flows arising from all possible scenarios are not materially different from the cash flows from financial instruments with the same contractual terms but without the contingent feature.
- (2) Clarify that financial assets with no recourse feature represent the enterprise's ultimate right to receive cash flows, which are contractually limited to the cash flows generated from specific assets.
- (3) Clarify whether a contract-linked instrument creates a concentration of credit risk by establishing multiple graded securities through a cascade payment structure to establish payment priorities for holders of financial assets, and results in a disproportionate allocation of cash shortfalls from the underlying pool to the different graded securities.

The Consolidated Company does not anticipate early application of the amendments.

(III) IFRSs already announced by IASB but not yet endorsed and issued into effect by FSC

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
"Annual Improvements to IFRSs - Volume 11"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to Classification and Measurement of Financial Instruments" on the guidelines as to the application of derecognition of financial assets	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-Dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	Undecided
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9— Comparison Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosure"	January 1, 2027

Note 1: Unless stated otherwise, the above New, Revised or Amended Standards and Interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will replace IAS 1 “Presentation of Financial Statements” and the key changes to the standard include:

- The statements of comprehensive income should separate income and expense items into operating, investing, financing, income tax and discontinued operations categories.
- The statements of comprehensive income should show operating profit or loss, pre-tax profit or loss before financing, and the subtotal and grand total of profit or loss.
- Provide guidelines to enhance aggregation and segmentation requirements: The Consolidated Company is required to identify assets, liabilities, equity, revenues, expenses, and cash flows arising from individual transactions or other matters and to classify and aggregate them on the basis of a common characteristic so that each line item presented in the primary financial statements has at least one similar characteristic. Items with dissimilar characteristics should be broken down in the primary financial statements and notes. The Consolidated Company labels these items as “Others” only when a more informative label could not be identified.
- Add disclosure of management-defined performance measures: The Consolidated Company should disclose information about management-defined performance measures in a single note to the financial statements when the Consolidated Company engages in public communications outside of the financial statements and when the Consolidated Company communicates to users of the financial statements management's viewpoints on a particular aspect of the Consolidated Company's overall financial performance, including a description of the measures, how they are calculated, a reconciliation of the measures to the subtotal or grand total of the measure as specified in IFRSs, and effect of income tax and non-controlling interests of the reconciling items.

In addition to the above effects, till the date of publication of the consolidated financial statements, the Consolidated Company will continue to evaluate other effects of the above-mentioned amendments to various standards and

interpretations on its financial position and financial performance, which will be disclosed when the evaluation is completed.

IV. Summary of Significant Accounting Policies

(I) Compliance Statement

The preparation of the consolidated financial statements is based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs endorsed and issued into effect by FSC.

(II) Basis of Preparation

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

The fair value measurements are grouped into Levels 1 to 3 based on the observability and significance of the relative inputs:

1. Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
2. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
3. Level 3 inputs are unobservable inputs for the asset or liability.

(III) Criteria for classifying for assets and liabilities as current or non-current

Current assets include:

1. assets held primarily for the purpose of trading;
2. assets that are expected to be realized within twelve months from the balance sheet date; and
3. cash and cash equivalent (unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the date of statement of financial position).

Current liabilities include:

1. liabilities held primarily for the purpose of trading;
2. liabilities that will be due for settlement within 12 months from the balance sheet date (even if the long-term refinancing or rescheduling of payment agreement is completed after the balance sheet date and before the publication of the financial statements), and

3. liabilities for which there is no substantive right at the balance sheet date to defer settlement until at least 12 months after the balance sheet date.

Assets and liabilities that are not classified as current are classified as non-current.

(IV) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries). The Consolidated Statements of Comprehensive Income include the operating profit or loss of the acquired or disposed subsidiaries for the period from the date of acquisition or up to the date of disposal. Adjustments have been made to the financial statements of subsidiaries to allow their accounting policies to be consistent with those used by the Consolidated Company. In the preparation of the consolidated financial statements, the transaction, account balance, revenue and expense among entities have been eliminated completely. The total comprehensive income of the subsidiaries is attributed to owners of the Company and non-controlling interests, and the same is true when the non-controlling interests consequently become loss balance.

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

When the Consolidated Company loses control over a subsidiary, the gain or loss on disposal is the difference between (1) the sum of the fair value of the consideration received and the remaining investment in the subsidiary based on the fair value at the date of loss of control, and (2) the sum of the assets (including goodwill) and liabilities of the subsidiary and the non-controlling interests based on the carrying amount at the date of loss of control. The Consolidated Company shall account for all amounts recognized in other comprehensive income related to the subsidiary on the same basis as the Consolidated Company would be required to follow if it were to dispose of the related assets or liabilities directly.

Please see Note 12 and Tables 6 and 7 for details of subsidiaries, percentage of ownership and business activities.

(V) Foreign Currencies

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

Foreign currency monetary amount is translated at the closing rate at each balance sheet date. Exchange differences on settlement or translation of monetary items are recognized as profit or loss at the period.

Non-monetary foreign currencies held at fair value at the exchange rates prevailing at the date of transaction; however, non-monetary foreign currencies held at fair value through other comprehensive income are recognized in other comprehensive income.

Non-monetary items carried at historical cost are reported using the exchange rate at the date of the transaction and will not be translated again.

In the preparation of the consolidated financial statements, assets and liabilities from foreign operations, including subsidiaries whose location or currency is different from the Company, are translated into NTD, at the exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates at the period. The resulting currency translation differences are recognized in other comprehensive income and are attributed to the owners of the Company and non-controlling interests, respectively.

If the Consolidated Company disposes of all interests in a foreign operation or disposes of part of the interests in a subsidiary which is a foreign operation but loses control, all cumulative translation differences attributable to the owners of the Company that are related to the foreign operation are reclassified to profit or loss.

If the partial disposal of the subsidiary which is a foreign operation does not result in a loss of control, the cumulative translation differences are reattributed to the non-controlling interests of the subsidiary on a pro rata basis and are not recognized in profit or loss. In the case of the disposal of any other part of the foreign operation, the cumulative translation differences are reclassified to profit or loss in proportion to the disposal.

(VI) Inventories

Inventories include raw materials, finished goods, work in process, and semi-finished goods. Inventories are stated at the lower of cost or net realizable value. The

lower of cost and net realizable value is based on the individual inventory items. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The cost of inventories is calculated using the weighted average method.

(VII) Property, Plant and Equipment

Property, plant and equipment are recognized at costs and subsequently measured at costs of the amount less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment under construction are recognized at costs less accumulated impairment losses. The costs include professional service fees and borrowing costs eligible for capitalization. Depreciation of these assets, which are classified to the appropriate category of property, plant and equipment, commences when the assets are completed with construction and ready for their intended use.

Property, plant and equipment are depreciated separately over their useful lives on a straight-line basis for each significant component, except for the land owned by the consolidated Company, which is not depreciated. The Consolidated Company reviews the estimated useful lives, residual values and depreciation method at least at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

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

(VIII) Investment Property

Investment property is real estate held to earn rentals or for capital gain or both. Investment property also includes land held for which the future use has not yet been determined.

The Consolidated Company's own investment property is initially measured at cost (including transaction cost) and subsequently at cost less accumulated depreciation and accumulated impairment losses.

Investment property is depreciated on a straight-line basis.

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

(IX) Intangible Assets

1. Acquired separately

Intangible assets with definite useful lives acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight-line basis over their useful lives. The Consolidated Company reviews the estimated useful lives, residual values and amortization method at least at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives are stated at cost less accumulated impairment losses.

2. Derecognition

On derecognition of an item of intangible assets, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss for the period.

(X) Impairments of property, plant and equipment, right-of-use assets, investment property and intangible assets.

At each balance date, the Consolidated Company reviews whether there is any indication that its property, plant and equipment, right-of-use assets, investment property, and intangible assets (excluding goodwill) have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Shared assets are allocated to individual cash-generating units on a reasonable and consistent basis.

Intangible assets with indefinite useful lives and not yet available for use are tested for impairment at least annually and whenever there is an indication of impairment

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

When impairment loss subsequently reverses, the carrying amount of the asset, or the cash-generating unit is increased to the revised recoverable amount. However, the increased carrying amount shall not exceed the carrying amount of the asset, or the

cash-generating unit which was not recognized as impairment loss at the past period (less amortization or depreciation). The reversal of impairment loss is recognized as profit or loss.

(XI) Financial Instruments

Financial assets and liabilities shall be recognized in the consolidated statements of financial position when the Consolidated Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial assets

All regular purchases or sales of financial assets are recognized and derecognized using trade date accounting.

(1) Type of Measurement

Financial assets held by the Consolidated Company are classified to financial assets at amortized cost and investments in equity instruments at fair value through other comprehensive income.

A. Financial assets at amortized cost

When the financial assets invested by the Consolidated Company satisfies the following two criteria at the same time, it is classified as the amortized cost financial assets:

- a. Where the financial assets are held under a certain business model, and the purpose of such model is to hold the financial assets in order to collect contract cash flows; and
- b. Where contract terms incur cash flow of a specific date, and such cash flow is completely for the payment of the interest of principle and external circulating principle amount.

Financial assets at amortized cost (including cash and cash equivalents, notes receivable at amortized cost, accounts receivable,

other receivables, other financial assets and refundable deposits). When the recognition commences, effective interest method is used to determine the carrying amount less any amortized cost of depreciation. Any exchange gains and losses are recognized as gains and losses.

Interest income is calculated by multiplying the effective interest rate by the total carrying amount of the financial assets.

A credit-impaired financial asset is one for which the issuer or the debtor has experienced significant financial difficulties, defaulted, or it is probable that the debtor will declare bankruptcy or other financial reorganization or that an active market for the financial assets will disappear due to financial difficulties.

Cash equivalents include time deposits which are acquired within 3 months and are highly liquid, readily convertible to cash of fixed amount and subject to an insignificant risk of changes in value, and are used to meet short-term cash commitments.

B. Investments in equity instruments at fair value through other comprehensive income

On initial recognition, the Consolidated Company may irrevocably designate investments in equity instruments that is not held for trading and not recognized as contingent consideration as at fair value through other comprehensive income.

Investments in equity instruments at fair value through other comprehensive income are measured at fair value. Subsequently the changes in fair value are reported in other comprehensive income and accumulated in other equity. On disposal of investments, the accumulated profit or loss is directly transferred to retained earnings and it is not reclassified to profit or loss.

The dividend from investments in equity instruments at fair value through other comprehensive income are recognized in profit or loss upon the Consolidated Company's right to receive payment is established, except for apparently the dividend representing the recovery of the partial investment cost.

(2) Impairment of Financial Assets

At each balance sheet date, the Consolidated Company assesses the impairment loss of financial assets at amortized cost (including accounts receivable) based on the expected credit loss.

The allowance for loss on accounts receivable is recognized according to the lifetime expected credit losses. Other financial assets are assessed to determine whether the credit risk has significantly increased since the original recognition. If there is no significant increase, then the allowance loss is recognized according to the 12-month expected credit loss. If it has increased significantly, then allowance for loss is recognized according to the lifetime expected credit loss.

Expected credit losses are weighted average credit losses with the probability of default events. The 12-month expected credit losses are expected credit losses that result from default events possible within 12 months after the reporting date. The lifetime expected credit losses present expected credit losses arising from all possible defaults over the expected lifetime of the financial instruments.

For the purpose of internal credit risk management, the Consolidated Company determines that the following conditions represent defaults on financial assets, without considering the collaterals held:

- A. There is internal or external information indicating that the debtor is unlikely to pay its debts.
- B. The overdue is more than 180 days, unless there is reasonable and corroborating information indicating that a later default basis is more appropriate.

Impairment losses on all financial assets are recognized through an allowance account to reduce their carrying amounts. However, an allowance for loss on investments in debt instruments at fair value through other comprehensive income is recognized in other comprehensive income and does not reduce their carrying amounts.

(3) Derecognition of Financial Assets

The Consolidated Company derecognizes the financial assets only when the contractual rights to the cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the risks and rewards of ownership of the financial assets to another entity.

On derecognition of financial assets at amortized cost in its entirety, the difference between the carrying amount of the asset and the consideration received is recognized in profit or loss. On derecognition of Investments in equity instruments at fair value through other comprehensive income, the difference between the carrying amount of the asset and the consideration received plus any cumulative gain or loss that has been recognized in other comprehensive income is recognized in profit or loss. On derecognition of Investments in equity instruments at fair value through other comprehensive income, the cumulative gain or loss is transferred directly to retained earnings, without reclassification to profit or loss.

2. Equity instruments

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

Equity instruments issued by the Consolidated Company are recognized at the acquisition price less direct issue costs.

The Consolidated Company's own equity instruments re-acquired is recognized and derecognized under equity. The purchase, sale, issuance or retirement of the Consolidated Company's own equity instruments is not recognized in profit or loss.

3. Financial liabilities

(1) Subsequent Measurement

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

(2) Derecognition of Financial Liabilities

On derecognition of financial liabilities, the difference between their carrying amount and the consideration paid (including any transfer of non-cash assets or liabilities) is recognized as profit or loss.

(XII) Provision for Liabilities

The amount recognized as provision for liabilities is the best estimate of the expenditure required to settle the obligation at the balance sheet date, with the risks and uncertainties of the obligation taken into account. The provision for liabilities is measured at the present value of the discounted cash flows estimated to settle the obligation.

(XIII) Revenue Recognition

The Consolidated Company allocates the transaction price to each performance obligation and recognizes the revenue when each of the obligation is satisfied after the customer has identified it.

Revenues from product sales

Revenues from product sales are derived from the sales of electronic components. The Consolidated Company recognizes revenues when products are delivered and control of ownership is transferred.

When materials are exported for processing, the control of the ownership of the products to be processed has not been transferred. Therefore, no revenue is recognized when materials are exported for processing.

(XIV) Lease

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

1. The Consolidated Company as the lessor

Leases are classified as finance leases whenever the lease terms transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Under operating leases, lease payments less lease incentives granted are recognized as revenue on a straight-line basis.

When a lease contains both land and building elements, the Consolidated Company assesses the lease of each of the elements to determine whether it should be classified as a capital lease or an operating lease based on whether all the risks and rewards incidental to the ownership of the element have been substantially transferred to the lessee. Lease payments are allocated to the land

and building in proportion to the fair value of the lease rights of the land and building at the date of contract establishment. If lease payments can be reliably allocated to the two elements, each element is treated in accordance with the applicable lease classification. If lease payments cannot be reliably allocated to the two elements, the lease as a whole is classified as a capital lease, but if both elements clearly meet the criteria for an operating lease, the lease as a whole is classified as an operating lease.

2. The Consolidated Company as the lessee

Except for payments related to low-value asset leases and short-term leases applicable to exemption of recognition and are recognized as expenses on a straight-line basis, the Company recognizes right-of-use assets and lease liabilities for all leases at the inception date of the lease.

Right-of-use assets are initially measured at cost, and are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated statements of financial position.

Right-of-use assets are depreciated on a straight-line basis from the inception dates to the earlier of the end of the asset's useful lives or the end of the lease periods. Depreciation is provided from the inception date of the lease to the end of the useful life of the underlying asset if the ownership of the underlying asset will be acquired at the end of the lease period or if the cost of the right-of-use asset reflects the exercise of the purchase option.

Lease liabilities are measured initially at the present value of lease payments. Lease payments are discounted using the interest rate in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease periods. When there is a change in a lease period or in the index or interest rate used to determine lease payments, resulting in a change in future lease payments, the Consolidated Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized as profit or loss. For lease modifications that are

not treated as individual leases, the remeasurement of the lease liabilities due to a reduction in the scope of the lease is a reduction of the right-of-use asset and gains or losses are recognized for partial or full termination of the lease. The remeasurement of lease liability for other modifications is the adjustment to right-of-use assets. Lease liabilities are presented on a separate line in the consolidated statements of financial position.

The Consolidated Company and the lessor entered into a rental agreement related to COVID-19, resulting in a decrease in the rental, and the agreement did not materially change other lease terms. The Consolidated Company has elected to adopt the practical expedient approach for the rental agreement that meets the aforementioned criteria. Instead of evaluating whether the agreement is a lease modification, it recognizes the decrease in lease payments in profit or loss (recorded as a reduction of depreciation expense on the right-of-use assets) when the reduction event or circumstance occurs, and reduces the lease liabilities accordingly.

(XV) Borrowing Costs

Borrowing costs require that borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, that necessarily takes a substantial period of time to get ready for its intended use or sale, are included in the cost of the asset.

Where funds are borrowed specifically, costs eligible for capitalization are the actual costs incurred less any income earned on the temporary investment of such borrowings.

Except for the above, all other borrowing costs are recognized in profit or loss in the year in which they are incurred.

(XVI) Government Subsidies

A government subsidy is recognized only when there is reasonable assurance that the Consolidated Company will comply with any conditions attached to the grant and the grant will be received.

Government subsidies related to revenue are recognized in profit or loss on a systematic basis over the period in which they are intended to compensate for the related costs recognized as expenses by the Consolidated Company. Government subsidies that are contingent upon the Consolidated Company's acquisition of non-current assets by purchase, construction, or other means are recognized as deferred

revenue and are transferred to profit or loss on a reasonable and systematic basis over the useful lives of the related assets.

The government subsidy granted as compensation for costs already incurred or for immediate financial support to the Consolidated Company, with no future related costs, shall be recognized as profit or loss in the period in which it is receivable.

If a government subsidy is in the form of a transfer of a non-monetary asset for use by the Consolidated Company, the subsidy is recognized and measured at the fair value of the non-monetary asset.

If the Consolidated Company receives a government subsidy with lower-than-market interest rate, the difference between the amount of the loan received and the fair value of the loan calculated based on the prevailing market interest rate is recognized as a government subsidy.

(XVII) Employee Benefits

1. Short-term employee benefits

Liabilities related to short-term employee benefits are measured at the non-discounted amount expected to be paid in exchange for employee services.

2. Post-employment benefits

For defined contribution plans, the amount of contribution payable in respect of service rendered by employees in that period should be recognized as expenses.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit plan are determined using the Projected Unit Credit Method. Service costs (including the current service cost) and net interest on the net defined benefit liability are recognized as employee benefits expense in the period they occur. Remeasurement (including actuarial gains and losses and return on plan assets, net of interest) is recognized in other comprehensive income and included in retained earnings as incurred and is not reclassified to profit or loss in subsequent periods.

The net defined benefit liability (asset) represents the deficit (surplus) of the appropriation for the defined benefit plan. The net defined benefit asset may not exceed the present value of refunds of appropriations from the plan or reductions in future appropriations.

(XVIII) Income Tax

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

1. Current income tax

The Consolidated Company determines income (loss) for the period in accordance with the regulations enacted by the income tax reporting jurisdictions and calculates income tax payable (recoverable) accordingly.

An additional income tax levied at unappropriated earnings calculated in accordance with the Income Tax Act of the Republic of China is recognized in the year in which the related resolution is made at the shareholder meeting.

Any adjustments to income tax payable for prior years is booked as current income tax.

2. Deferred income tax

Deferred income tax is accounted for based on the temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable income or loss.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available to utilize the deductible temporary differences and loss carryforwards.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Consolidated Company can control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable income to realize the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be recovered. The carrying amount of deferred tax assets originally not recognized is also reviewed at each balance sheet date and increased to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset is realized, based on tax rates and laws that have been legislated or substantively enacted at the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that arise from the manner in which the Consolidated Company expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

3. Current and deferred income tax

Current and deferred income tax are recognized in profit or loss, except the current and deferred income tax that relates to items recognized in other comprehensive income or directly in equity are recognized respectively in other comprehensive income or directly in equity.

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

In the application of the Consolidated Company's accounting policies, the management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered relevant. Actual results may differ from these estimates.

When developing significant accounting estimates, the Consolidated Company will take into account the possible impact on inflation and market interest rate fluctuations in cash flow estimates, growth rates, discount rates, profitability and other relevant significant estimates. Management will continue to review estimates and basic assumptions.

Assumptions and Major Sources of Estimation Uncertainty

(I) Estimated impairment of financial assets

The estimated impairment loss on accounts receivable is based on the Consolidated Company's and subsidiaries' assumptions about default rates and expected loss rates. The Consolidated Company takes into account historical experience, current market conditions and forward-looking information to make assumptions and select inputs for impairment assessments. Please refer to Note 10 for the significant assumptions and inputs used. If actual future cash flows are less than the Consolidated Company's expectations, a significant impairment loss may arise.

(II) Impairment of inventory

The net realizable value of inventories is the estimated selling price in the ordinary course of business less estimated costs to complete the production and estimated costs to complete the sale, which are based on current market conditions and historical sales experience of similar products. Changes in market conditions may materially affect the results of these estimates.

VI. Cash and Cash Equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand and revolving funds	\$ 496	\$ 696
Bank checking and demand deposits	<u>116,030</u>	<u>210,778</u>
	<u>\$ 116,526</u>	<u>\$ 211,474</u>

VII. Financial assets at fair value through other comprehensive income

Investments in equity instruments

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Non-current</u>		
Domestic investments		
Unlisted stocks	\$ 6,370	\$ 15,749
Foreign investments		
Unlisted stocks	<u>18,257</u>	<u>31,639</u>
	<u>\$ 24,627</u>	<u>\$ 47,388</u>

The Consolidated Company invests in the common stock of domestic and foreign firms for medium- and long-term strategic objectives and expects to profit from the long-term investments. The Consolidated Company's management deems if the short-term volatility at fair value of such investments recognized in profit or loss is not consistent with the aforementioned long-term investment plan, it will be determined that such investments are measured through other comprehensive income at fair value.

The investee, Asia Pacific Emerging Industry Management Co., Ltd., returned share payment in connection with cash capital reduction in December 2024 and December 2023, respectively, and the Consolidated Company recovered \$2,339 thousand in proportion to its shareholding percentage in both cases.

The investee, Asia Global Venture Capital Co., Ltd., returned share payment in connection with cash capital reduction in December 2024, and the Consolidated Company recovered \$885 thousand in proportion to its shareholding percentage.

The Consolidated Company recognized dividend income of \$3,324 thousand and \$795 thousand in 2024 and 2023, respectively.

The Consolidated Company did not pledge any investments in equity instruments at fair value through other comprehensive income.

VIII. Financial assets at amortized cost

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Current</u>		
Domestic investments		
Time deposits with original maturity over 3 months	\$ 117,572	\$ 1,274
Pledged time deposits	<u>1,794</u>	<u>1,766</u>
	<u>\$ 119,366</u>	<u>\$ 3,040</u>

(I) The interest rate range for time deposits was 1.69% ~ 4.2% and 1.565% ~ 3.850% per annum for 2024 and 2023, respectively.

(II) Please refer to Note 32 for information on pledged financial assets at amortized cost.

IX. Credit Risk Management of Investments in Debt Instruments

The Consolidated Company's investments in debt instruments are financial assets at amortized cost:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Total carrying amount	\$ 119,366	\$ 3,040
Allowance for loss	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 119,366</u>	<u>\$ 3,040</u>

The credit risk of bank deposits and other financial instruments is measured and monitored by the Consolidated Company's financial departments. Since the Consolidated Company's trading partners and contract performing counterparties are banks, financial institutions and corporate organizations with good credit ratings at investment grade or above, and there was no significant doubt about defaults, these instruments had no significant credit risk. The Consolidated Company's current credit risk rating mechanism and the total carrying amount of investments in debt instruments with different credit ratings are summarized as follows:

Credit rating	Definition	Basis of recognition of expected credit losses	Expected credit loss rate	Total carrying amount at December 31, 2024	Total carrying amount at December 31, 2023
Normal	The debtors have low credit risk and have sufficient ability to settle the contractual cash flows.	12-month expected credit losses	0%	<u>\$ 119,366</u>	<u>\$ 3,040</u>

X. Notes receivables, accounts receivables, and overdue receivables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Notes receivable</u>		
Measured at amortized cost		
Total carrying amount	\$ 243,340	\$ 285,130
Less: Allowance for loss	(<u>2,365</u>)	(<u>2,849</u>)
	<u>\$ 240,975</u>	<u>\$ 282,281</u>
 <u>Accounts receivable</u>		
Measured at amortized cost		
Total carrying amount	\$1,100,417	\$ 874,492
Less: Allowance for loss	(<u>2,384</u>)	(<u>8,297</u>)
	<u>\$1,098,033</u>	<u>\$ 866,195</u>

(I) Notes receivable

The Consolidated Company's allowance for loss on notes receivable, measured on a provision matrix, was as follows:

December 31, 2024

	<u>Not overdue</u>	<u>1 to 60 days overdue</u>	<u>61 to 90 days overdue</u>	<u>91 to 180 days overdue</u>	<u>Over 180 days overdue</u>	<u>Total</u>
Expected credit loss rate	1%	-%	-%	-%	-%	
Total carrying amount	\$243,340	\$ -	\$ -	\$ -	\$ -	\$243,340
Allowance for loss (lifetime expected credit losses)	(<u>2,365</u>)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	(<u>2,365</u>)
Amortized cost	<u>\$240,975</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$240,975</u>

December 31, 2023

	<u>Not overdue</u>	<u>1 to 60 days overdue</u>	<u>61 to 90 days overdue</u>	<u>91 to 180 days overdue</u>	<u>Over 180 days overdue</u>	<u>Total</u>
Expected credit loss rate	1%	-%	-%	-%	-%	
Total carrying amount	\$285,130	\$ -	\$ -	\$ -	\$ -	\$285,130
Allowance for loss (lifetime expected credit losses)	(<u>2,849</u>)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	(<u>2,849</u>)
Amortized cost	<u>\$282,281</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$282,281</u>

Information on the changes in the allowance for loss on notes receivable is as follows:

	<u>2024</u>	<u>2023</u>
Balance at the beginning of the year	\$ 2,849	\$ 1,603
Add: Impairment loss provided for the year	-	1,296
Less: Reversal of impairment loss for the year	(580)	-
Exchange differences on translation of foreign currencies	<u>96</u>	<u>(50)</u>
Balance at the end of the year	<u>\$ 2,365</u>	<u>\$ 2,849</u>

Please refer to Note 32 for information on pledged notes receivable.

(II) Accounts receivable

The average collection period for product sales of the Consolidated Company is 30 to 120 days, and no interest is accrued on accounts receivable. The Consolidated Company uses other publicly available financial information and historical transaction records to rate major customers and obtain adequate guarantees, if necessary, to mitigate the risk of financial losses due to delinquency. The Consolidated Company monitors credit exposure and the credit ratings of counterparties on an ongoing basis and manages credit exposure through review and approval of the credit limits of counterparties on an annual basis.

To mitigate credit risk, the Consolidated Company's management has assigned a dedicated team to be responsible for credit facility determination, credit approval and other monitoring procedures to ensure that appropriate actions have been taken to collect overdue receivables. In addition, the Consolidated Company reviews the recoverable amount of receivables at each balance sheet date to ensure that appropriate impairment loss has been provided for the uncollectible receivables. Accordingly, the Consolidated Company's management believes that the Consolidated Company's credit risk is significantly reduced.

The Consolidated Company recognizes allowance for loss on accounts receivable is according to the lifetime expected credit losses. Lifetime expected credit losses are calculated using a provision matrix, which takes into account the customer's past default records and current financial position, the economic conditions of the industry,

as well as GDP forecasts and industry outlook. Since the Consolidated Company's credit loss history shows that there is no significant difference in the loss patterns of different customer groups, instead of further differentiating the customer groups, the provision matrix only sets the expected credit loss rate based on the number of days overdue on accounts receivable.

If there is evidence that the counterparty is in serious financial difficulty and the Consolidated Company cannot reasonably expect to recover the amount, the Consolidated Company shall directly write off the related accounts receivable but shall engage in recourse activities and recognize the amount recovered in profit or loss as a result of the recourse.

The Consolidated Company's allowance for loss on accounts receivable, measured on a provision matrix, was as follows:

December 31, 2024

	Not overdue	1 to 60 days overdue	61 to 90 days overdue	91 to 180 days overdue	Over 180 days overdue	Total
Expected credit loss rate	0.00%~ 0.11%	0.70%~ 10.16%	20.35%	34.55%~ 89.76%	100.00%	
Total carrying amount	\$1,064,090	\$ 35,150	\$ 209	\$ 175	\$ 793	\$ 1,100,417
Allowance for loss (lifetime expected credit losses)	(<u>420</u>)	(<u>981</u>)	(<u>43</u>)	(<u>147</u>)	(<u>793</u>)	(<u>2,384</u>)
Amortized cost	<u>\$1,063,670</u>	<u>\$ 34,169</u>	<u>\$ 166</u>	<u>\$ 28</u>	<u>\$ -</u>	<u>\$ 1,098,033</u>

December 31, 2023

	Not overdue	1 to 60 days overdue	61 to 90 days overdue	91 to 180 days overdue	Over 180 days overdue	Total
Expected credit loss rate	0.11%~ 1.07%	1.90%~ 9.03%	7.24%~ 33.39%	54.76%~ 94.15%	100.00%	
Total carrying amount	\$ 854,195	\$ 15,280	\$ 1,130	\$ 816	\$ 3,071	\$ 874,492
Allowance for loss (lifetime expected credit losses)	(<u>3,873</u>)	(<u>668</u>)	(<u>151</u>)	(<u>534</u>)	(<u>3,071</u>)	(<u>8,297</u>)
Amortized cost	<u>\$ 850,322</u>	<u>\$ 14,612</u>	<u>\$ 979</u>	<u>\$ 282</u>	<u>\$ -</u>	<u>\$ 866,195</u>

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

	2024	2023
Balance at the beginning of the year	\$ 8,297	\$ 12,552
Less: Actual write-off in the year	(257)	-
Less: Reversal of impairment loss for the year	(5,816)	(4,152)

Exchange differences on translation of foreign currencies	160	(103)
Balance at the end of the year	<u>\$ 2,384</u>	<u>\$ 8,297</u>

(III) Overdue receivables (recorded under other non-current assets)

Information on the changes in the allowance for loss on overdue receivables is as follows:

	2024	2023
Balance at the beginning of the year	<u>\$ 2,369</u>	<u>\$ 2,369</u>
Balance at the end of the year	<u>\$ 2,369</u>	<u>\$ 2,369</u>

XI. Inventories

	December 31, 2024	December 31, 2023
Finished goods	\$ 302,697	\$ 212,537
Work in process	139,583	105,115
Ram materials	130,292	119,951
Semi-finished goods	<u>45,963</u>	<u>17,169</u>
	<u>\$ 618,535</u>	<u>\$ 454,772</u>

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

	2024	2023
Cost of inventories sold	\$ 2,316,978	\$ 2,052,306
(Reversal of) Loss on decline in value of inventories	<u>(18,015)</u>	<u>16,822</u>
	<u>\$ 2,298,963</u>	<u>\$ 2,069,128</u>

The Consolidated Company did not have any inventories pledged as collateral for borrowings.

XII. Subsidiaries

Subsidiaries Included in the consolidated financial statements

Entities covered by the consolidated financial statements are as follows:

Name of investor	Name of subsidiary	Business nature	Shareholding percentage		Description
			December 31, 2024	December 31, 2023	
WIESON TECHNOLOGIES CO., LTD.	Wieson International Investment LTD - Cayman Islands (Cayman Wieson)	Engagement in overseas investment and trading business	100.00	100.00	(1)
	Jiebao Electronics LTD. - Cayman Islands (Cayman Jiebao)	"	100.00	100.00	(1)
	WIESON OVERSEA HOLDING CO., LTD.	"	100.00	100.00	(1)
	WIESON TECHNOLOGIES (VIETNAM) CO., LTD.	Manufacturing and processing of electronic connectors and plug & socket cable assemblies	100.00	100.00	(1) and (2)
Cayman Wieson	Wieson Technologies (Dongguan) Co., LTD. (Dongguan Wieson)	Manufacturing and processing of electronic connectors and plug & socket cable assemblies	100.00	100.00	(1)
Cayman Jiebao	Wieson Automotive Co., LTD. (Jiangsu) (Jiangsu Wieson)	Manufacturing and sales of automotive connectors, plugs, computer connectors and automotive electronics.	87.26	87.26	(1)
WIESON OVERSEA HOLDING CO., LTD.	WIESON AMERICA, INC.	Development of electronic connectors and computer I/O peripherals.	100.00	100.00	(1)
Jiangsu Wieson	Wieson Automotive (Taiwan) Co., LTD. (Wieson Automotive)	Wholesale and retail sales of automotive and motorcycle parts and accessories	100.00	100.00	(1)

Note (1): Based on the financial statements of the subsidiaries for the same period audited by CPAs.

Note (2): In August 2023, the Consolidated Company's Board of Directors resolved to invest in Vietnam by establishing WIESON TECHNOLOGIES (VIETNAM) CO. LTD. with a total investment amount of US\$10,500 thousand (approximately NT\$322,403 thousand). In October 2023, the registration for its establishment was completed.

XIII. Property, plant and equipment

	Land	Buildings	Mechanical equipment	Molding equipment	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Construction in progress	Total
Costs										
Balance at January 1, 2024	\$ 269,266	\$ 628,948	\$ 478,745	\$ 290,799	\$ 18,051	\$ 53,190	\$ 142,194	\$ 56,372	\$ 1,549	\$ 1,939,114
Addition	-	2,798	24,138	3,385	4,093	4,457	234	184,822	-	226,387
Reclassification	540	347	4,179	27,906	-	208	-	74	(21,476)	11,778
Disposal	-	-	(24,011)	(10,365)	(3,615)	(978)	-	(2,970)	-	(41,939)
Net exchange differences	-	15,553	16,338	10,177	585	1,531	4,963	1,932	896	51,975
Balance at December 31, 2024	<u>\$ 269,806</u>	<u>\$ 647,646</u>	<u>\$ 499,389</u>	<u>\$ 321,902</u>	<u>\$ 19,114</u>	<u>\$ 58,408</u>	<u>\$ 147,391</u>	<u>\$ 57,868</u>	<u>\$ 165,791</u>	<u>\$ 2,187,315</u>
Accumulated depreciation and impairment										
Balance at January 1, 2024	\$ -	\$ 116,103	\$ 340,360	\$ 247,963	\$ 12,458	\$ 40,241	\$ 139,680	\$ 47,462	\$ -	\$ 944,267
Reclassification	-	(22)	-	-	-	-	-	-	-	(22)
Reversal of impairment losses	-	-	-	(89)	-	-	-	-	-	(89)
Depreciation expenses	-	28,255	33,125	22,719	3,880	5,193	387	2,087	-	95,646
Disposal	-	-	(21,519)	(9,912)	(2,824)	(927)	-	(2,721)	-	(37,903)
Net exchange differences	-	2,501	11,654	8,721	402	1,219	4,876	1,701	-	31,074
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 146,837</u>	<u>\$ 363,620</u>	<u>\$ 269,402</u>	<u>\$ 13,916</u>	<u>\$ 45,726</u>	<u>\$ 144,943</u>	<u>\$ 48,579</u>	<u>\$ -</u>	<u>\$ 1,037,973</u>
Net amount as of December 31, 2024	<u>\$ 269,806</u>	<u>\$ 500,809</u>	<u>\$ 135,769</u>	<u>\$ 52,500</u>	<u>\$ 5,198</u>	<u>\$ 12,682</u>	<u>\$ 2,448</u>	<u>\$ 9,339</u>	<u>\$ 165,791</u>	<u>\$ 1,154,342</u>
Costs										
Balance at January 1, 2023	\$ 269,266	\$ 637,713	\$ 484,293	\$ 286,746	\$ 16,034	\$ 51,533	\$ 142,273	\$ 57,946	\$ 2,068	\$ 1,947,872
Addition	-	111	16,765	5,495	2,319	3,187	2,576	1,804	3,966	34,223
Reclassification	-	(1,234)	5,264	13,161	-	-	-	292	(4,455)	13,028
Disposal	-	-	(18,849)	(7,231)	-	(722)	-	(2,628)	-	(29,430)
Net exchange differences	-	(7,642)	(8,728)	(5,372)	(302)	(808)	(2,655)	(1,042)	(30)	(26,579)
Balance at December 31, 2023	<u>\$ 269,266</u>	<u>\$ 628,948</u>	<u>\$ 478,745</u>	<u>\$ 290,799</u>	<u>\$ 18,051</u>	<u>\$ 53,190</u>	<u>\$ 142,194</u>	<u>\$ 56,372</u>	<u>\$ 1,549</u>	<u>\$ 1,939,114</u>

<u>Accumulated depreciation and impairment</u>										
Balance at January 1, 2023	\$ -	\$ 88,957	\$ 331,376	\$ 236,073	\$ 9,908	\$ 36,807	\$ 141,306	\$ 48,212	\$ -	\$ 892,639
Provision for impairment losses	-	-	-	1,134	-	-	-	-	-	1,134
Depreciation expenses	-	28,134	33,319	21,972	2,752	4,785	986	2,654	-	94,602
Disposal	-	-	(18,169)	(6,617)	-	(710)	-	(2,487)	-	(27,983)
Net exchange differences	-	(988)	(6,166)	(4,599)	(202)	(641)	(2,612)	(917)	-	(16,125)
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 116,103</u>	<u>\$ 340,360</u>	<u>\$ 247,963</u>	<u>\$ 12,458</u>	<u>\$ 40,241</u>	<u>\$ 139,680</u>	<u>\$ 47,462</u>	<u>\$ -</u>	<u>\$ 944,267</u>
Net amount as of December 31, 2023	<u>\$ 269,266</u>	<u>\$ 512,845</u>	<u>\$ 138,385</u>	<u>\$ 42,836</u>	<u>\$ 5,593</u>	<u>\$ 12,949</u>	<u>\$ 2,514</u>	<u>\$ 8,910</u>	<u>\$ 1,549</u>	<u>\$ 994,847</u>

Depreciation expenses are provided on a straight-line basis over the following useful lives:

Buildings	
Main plant buildings	20 to 51 years
Engineering systems	5 years
Others	5 years
Mechanical equipment	3 to 10 years
Molding equipment	3 to 10 years
Transportation equipment	2 to 5 years
Office equipment	3 to 20 years
Leasehold improvements	6 to 10 years
Other equipment	3 to 10 years

Please refer to Note 32 for the amount of property, plant and equipment pledged as collateral for borrowings.

XIV. Lease Agreements

(I) Right-of-use Assets

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Carry amount of right-of-use assets		
Land	\$ 138,913	\$ 27,798
Buildings	8,900	29,239
Transportation equipment	<u>2,854</u>	<u>3,658</u>
	<u>\$ 150,667</u>	<u>\$ 60,695</u>
	<u>2024</u>	<u>2023</u>
Addition of right-of-use assets	<u>\$ 76,868</u>	<u>\$ 44,897</u>
Depreciation expenses of right-of-use assets		
Land	\$ 2,719	\$ 1,111
Buildings	20,159	18,922
Transportation equipment	<u>1,593</u>	<u>1,410</u>
	<u>\$ 24,471</u>	<u>\$ 21,443</u>

No impairment loss was recognized or reversed for 2024 and 2023.

Please refer to Note 32 for the amount of right-of-use assets pledged as collateral for borrowings.

(II) Lease Liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Carrying amount of lease liabilities		
Current	<u>\$ 10,547</u>	<u>\$ 10,676</u>
Non-current	<u>\$ 1,602</u>	<u>\$ 22,718</u>
The range of discount rates for lease liabilities is as follows:		
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Buildings	2.00%~4.80%	2.00%~4.80%
Transportation equipment	2.00%~3.84%	2.00%~3.84%

(III) Major Lease Activities and Terms

The Consolidated Company leases certain land, buildings and transportation equipment for production and business trips with a lease period of 2 to 31 years. On expiration of the lease period, the Consolidated Company has no preferential right to purchase the leased land, buildings and transportation equipment.

In addition, the right-of-use assets - land including the land use rights acquired by Jiangsu Wieson from Kunshan Municipal People's Government with a lease period of 31 years, and the land use rights in the industrial zone acquired by WIESON TECHNOLOGIES (VIETNAM) CO., LTD. from Vietnam's Thanh An Province with a lease period of 47 years.

(IV) Information on Other Leases

	<u>2024</u>	<u>2023</u>
Short-term lease expenses	<u>\$ 1,965</u>	<u>\$ 993</u>
Total cash (outflows) from leases	<u>(\$ 25,993)</u>	<u>(\$ 23,840)</u>

The Consolidated Company elected to apply the recognition exemption to leases of buildings and transportation equipment that qualify as short-term leases, and not recognize the related right-of-use assets and lease liabilities for these leases.

XV. Investment Property

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>Costs</u>			
Balance at January 1, 2024	\$ 29,715	\$ 17,393	\$ 47,108
Addition	-	843	843
Reclassification	(541)	(347)	(888)
Balance at December 31, 2024	<u>\$ 29,174</u>	<u>\$ 17,889</u>	<u>\$ 47,063</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2024	\$ -	\$ 7,513	\$ 7,513
Depreciation expenses	-	390	390
Reclassification	-	22	22
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 7,925</u>	<u>\$ 7,925</u>
Net amount as of December 31, 2024	<u>\$ 29,174</u>	<u>\$ 9,964</u>	<u>\$ 39,138</u>
<u>Costs</u>			
Balance at January 1, 2023	<u>\$ 29,715</u>	<u>\$ 17,393</u>	<u>\$ 47,108</u>
Balance at December 31, 2023	<u>\$ 29,715</u>	<u>\$ 17,393</u>	<u>\$ 47,108</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2023	\$ -	\$ 7,259	\$ 7,259
Depreciation expenses	-	254	254
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 7,513</u>	<u>\$ 7,513</u>
Net amount as of December 31, 2023	<u>\$ -</u>	<u>\$ 9,880</u>	<u>\$ 39,595</u>

The fair value of the Consolidated Company's investment property located in Xizhi District, New Taipei City, was \$90,150 thousand and \$90,692 thousand as of December 31, 2024 and 2023, respectively, which had not been assessed by an independent appraiser, and was assessed by the Consolidated Company's management with reference to the market price of similar property transactions in the neighboring areas.

The Consolidated Company owns all of the investment properties. Please refer to Note 32 for the amount of investment property pledged as collateral for borrowings.

Depreciation expenses of investment property are provided on a straight-line basis over the following useful lives:

<u>Buildings</u>	
Main plant buildings	50 to 51 years
Engineering systems	3 to 10 years

XVI. Intangible Assets

	Patents	Computer software	Others	Total
<u>Costs</u>				
Balance at January 1, 2024	\$ 896	\$ 89,868	\$ 3,700	\$ 94,464
Acquired separately	-	5,680	7,290	12,970
Reclassification	-	2,039	-	2,039
Disposal	-	(1,894)	-	(1,894)
Net exchange differences	26	2,152	-	2,178
Balance at December 31, 2024	<u>\$ 922</u>	<u>\$ 97,845</u>	<u>\$ 10,990</u>	<u>\$ 109,757</u>
<u>Accumulated amortization and impairment</u>				
Balance at January 1, 2024	\$ 270	\$ 31,724	\$ 2,065	\$ 34,059
Amortization expenses	113	10,628	653	11,394
Disposal	-	(1,271)	-	(1,271)
Net exchange differences	5	792	-	797
Balance at December 31, 2024	<u>\$ 388</u>	<u>\$ 41,873</u>	<u>\$ 2,718</u>	<u>\$ 44,979</u>
Net amount as of December 31, 2024	<u>\$ 534</u>	<u>\$ 55,972</u>	<u>\$ 8,272</u>	<u>\$ 64,778</u>

(Continued on next page)

(Continued from previous page)

	Patents	Computer software	Others	Total
<u>Costs</u>				
Balance at January 1,				
2023	\$ 434	\$ 62,036	\$ 3,700	\$ 66,170
Acquired separately	474	23,845	-	24,319
Reclassification	-	5,202	-	5,202
Disposal	-	(154)	-	(154)
Net exchange				
differences	(12)	(1,061)	-	(1,073)
Balance at December 31,				
2023	<u>\$ 896</u>	<u>\$ 89,868</u>	<u>\$ 3,700</u>	<u>\$ 94,464</u>
<u>Accumulated amortization and impairment</u>				
Balance at January 1,				
2023	\$ 168	\$ 23,078	\$ 1,695	\$ 24,941
Amortization expenses	104	9,069	370	9,543
Disposal	-	(36)	-	(36)
Reclassification	-	-	-	-
Net exchange				
differences	(2)	(387)	-	(389)
Balance at December 31,				
2023	<u>\$ 270</u>	<u>\$ 31,724</u>	<u>\$ 2,065</u>	<u>\$ 34,059</u>
Net amount as of				
December 31, 2023	<u>\$ 626</u>	<u>\$ 58,144</u>	<u>\$ 1,635</u>	<u>\$ 60,405</u>

The Consolidated Company holds patents for manufacturing antennae, terminals, connectors and other equipment. As of December 31, 2024 and 2023, the carrying amount of these patents was \$534 thousand and \$626 thousand, respectively.

Amortization expenses are provided on a straight-line basis over the following useful lives:

Patents	3 to 20 years
Computer software	1 to 30 years
Other intangible assets	10 to 15 years

XVII. Other Assets

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Current</u>		
Prepayments		
Prepaid expenses	\$ 17,621	\$ 14,114
Prepayments for goods	1,074	824
Input tax	25,472	28,153
Tax overpaid retained for offsetting future tax payable	27,848	2,122
Supplies inventory	-	50
	<u>\$ 72,015</u>	<u>\$ 45,263</u>
Temporary Payments	\$ 2,479	\$ 1,247
Others	811	746
	<u>\$ 3,290</u>	<u>\$ 1,993</u>
<u>Non-current</u>		
Prepayments for equipment	<u>\$ 30,936</u>	<u>\$ 45,052</u>
Overdue receivables	\$ 2,369	\$ 2,369
Less: Allowance for loss	(2,369)	(2,369)
Others	339	389
	<u>\$ 339</u>	<u>\$ 389</u>

XVIII. Loans

(I) Short-term Loans

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Secured loans</u> (Note 32)		
Bank loans (1)	\$ 25,225	\$ 175,339
<u>Unsecured loans</u>		
Credit facility loans (2)	334,340	446,540
	<u>\$ 359,565</u>	<u>\$ 621,879</u>

1. The interest rates on secured loans were 2.375% to 2.80% and 2.00% to 3.00% at December 31, 2024 and 2023, respectively.
2. The interest rates on bank revolving loans were 2.13% to 3.70% and 1.98% to 4.35% at December 31, 2024 and 2023, respectively.

(II) Long-term Loans

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Secured loans</u> (Note 32)		
Bank loans (1)	\$ 148,836	\$ 192,606
<u>Unsecured loans</u>		
Credit loans (2)	<u>533,296</u>	<u>213,438</u>
	682,132	406,044
Less: Portion recorded as due within one year	(<u>75,903</u>)	(<u>49,802</u>)
	<u>\$ 606,229</u>	<u>\$ 356,242</u>

1. The bank loans were secured by the Consolidated Company's own land and buildings (see Note 32), and the maturity dates of the loans are from May 27, 2026 to June 13, 2030, with effective interest rates ranging from 2.125% to 2.80% and 2.00% to 4.685% per annum at December 31, 2024 and 2023, respectively.
2. The interest rates on long-term unsecured loans were 0.50% to 2.325% and 2.095% to 3.32% at December 31, 2024 and 2023, respectively.

XIX. Other Liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Current</u>		
Other payables		
Wages and salaries payable	\$ 93,841	\$ 64,049
Profit-sharing remuneration payable to employees, directors, and supervisors	18,257	6,104
Insurance premiums payable	2,423	2,201
Pensions payable	1,687	1,630
Construction retainage payable	14,658	13,777
Commissions payable	3,071	5,036
Royalties payable	364	1,744
Service expenses payable	6,182	11,575
Others	<u>41,234</u>	<u>22,776</u>
	<u>\$ 181,717</u>	<u>\$ 128,892</u>

XX. Provision for Liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Current</u>		
Employee benefits	<u>\$ 4,119</u>	<u>\$ 2,457</u>

The provision for employee benefit liabilities includes an estimate of the vested short-term service leave entitlements of employees.

XXI. Post-Employment Benefits Plans

(I) Defined Contribution Plan

The pension system of the Company and Wieson Automotive (Taiwan) Co., LTD. in the Consolidated Company under the “Labor Pension Act” is a government-administered defined contribution plan, with 6% of employees' monthly salaries contributed to the personal accounts at the Bureau of Labor Insurance.

Employees of the Consolidated Company's subsidiaries in the People's Republic of China are members of the pension plan administered by the PRC government. The subsidiaries are required to contribute a certain percentage of its salary costs to the pension plan in order to fund the plan. The Consolidated Company's obligation to this government-administered pension plan is only to contribute a specific amount.

(II) Defined Benefit Plan

The pension system of the Company in the Consolidated Company under the “Labor Standards Act” is a government-administered defined benefit plan. Pension payment is calculated in accordance with the years of service and the average salary of the six months prior to the authorized retirement date. The Company appropriates 2% of employees' total monthly salaries to the pension fund, which is deposited by the Supervisory Committee of Labor Retirement Reserve in the name of the Committee into a special account at the Bank of Taiwan. Before the end of the year, if the balance in the special account is estimated to be insufficient to pay for employees who are expected to meet the retirement requirements in the following year, the difference will be made up in one lump sum by the end of March of the following year. The management of the special account is entrusted to the Bureau of Labor Funds, the Ministry of Labor. The Company has no right to influence the investment management strategy.

The amounts included in the Consolidated Statements of Financial Position for the defined benefit plan are shown below:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Present value of defined benefit obligation	\$ -	\$ -
Fair value of plan asset	(3,114)	(2,821)
Net defined benefit assets	(\$ 3,114)	(\$ 2,821)

Change in net defined benefit (asset) liability is as follows:

	Present value of defined benefit obligation	Fair value of plan asset	Net defined benefit (asset) liability
January 1, 2024	<u>\$ -</u>	<u>(\$ 2,821)</u>	<u>(\$ 2,821)</u>
Service costs			
Interest expense (income)	<u>-</u>	<u>(32)</u>	<u>(32)</u>
Recognized in loss (profit)	<u>-</u>	<u>(32)</u>	<u>(32)</u>
Remeasurement			
Return on plan asset (other than amount included in net interest)	<u>-</u>	<u>(254)</u>	<u>(254)</u>
Recognized in other comprehensive income	<u>-</u>	<u>(254)</u>	<u>(254)</u>
Appropriation by the employer	<u>-</u>	<u>(7)</u>	<u>(7)</u>
December 31, 2024	<u>\$ -</u>	<u>(\$ 3,114)</u>	<u>(\$ 3,114)</u>
January 1, 2023	<u>\$ -</u>	<u>(\$ 2,758)</u>	<u>(\$ 2,758)</u>
Interest expense (income)	<u>-</u>	<u>(41)</u>	<u>(41)</u>
Recognized in loss (profit)	<u>-</u>	<u>(41)</u>	<u>(41)</u>
Remeasurement			
Return on plan asset (other than amount included in net interest)	<u>-</u>	<u>(15)</u>	<u>(15)</u>
Recognized in other comprehensive income	<u>-</u>	<u>(15)</u>	<u>(15)</u>
Appropriation by the employer	<u>-</u>	<u>(7)</u>	<u>(7)</u>
December 31, 2023	<u>\$ -</u>	<u>(\$ 2,821)</u>	<u>(\$ 2,821)</u>

The amounts recognized in profit or loss for the defined benefit plan are summarized by function as follows.

	2024	2023
Administrative expenses	<u>(\$ 32)</u>	<u>(\$ 41)</u>

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

1. Investment risk: The Bureau of Labor Funds, Ministry of Labor invests the labor pension fund in domestic and foreign equity securities, debt securities, and bank deposits through its own management or entrusted third parties, but the amount allocated to the Consolidated Company's plan asset is based on the income at a rate no less than the local bank's 2-year time deposit rate.
2. Interest rate risk: A decrease in interest rates on government bonds will increase the present value of the defined benefit obligation, but the return on debt

investment in plan assets will also increase, which will have a partially offsetting effect on the net defined benefit obligation.

3. Salary Risk: The present value of the defined benefit obligation is calculated by reference to the future salary of the plan member. Therefore, increases in plan member's salary will result in an increase in the present value of the defined benefit obligation.

The present value of the Consolidated Company's defined benefit obligation was actuarially determined by a qualified actuary and the significant assumptions at the measurement date were as follows.

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount rate	1.375%	1.125%
Expected salary increase rate	2.75%	2.75%

The amount by which the present value of the defined benefit obligation would not increase (decrease) if there are reasonable possible changes in significant actuarial assumptions, with all other assumptions held constant.

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

XXII. Equity

(I) Common Stock Capital

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Authorized number of shares (in thousands of shares)	<u>100,000</u>	<u>100,000</u>
Authorized stock capital	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Number of shares issued and fully paid (in thousands of shares)	<u>72,664</u>	<u>66,664</u>
Stock capital issued	<u>\$ 726,640</u>	<u>\$ 666,640</u>

The common stock issued has a face value of NT\$10 per share and each share is entitled to one voting right and receiving dividends.

On August 8, 2024, the Board of Directors resolved to increase capital in cash with issuance of 6,000 thousand new shares at a face value of NT\$10 and a premium of NT\$34 per share, resulting in a paid-in capital of NT\$726,640 thousand after the capital increase. The above cash capital increase was approved into effect by the

Securities and Futures Bureau, FSC on August 20, 2024, and the Board of Directors resolved that October 30, 2024, shall be the base date for the capital increase.

(II) Capital Surplus

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>For loss make-up, payment in cash or capitalization as equity (1)</u>		
Stock issuance premium (3)	\$ 152,453	\$ 6,977
<u>For loss make-up only</u>		
Recognition of changes in ownership interest in subsidiaries (2)	<u>1,820</u>	<u>1,820</u>
	<u>\$ 154,273</u>	<u>\$ 8,797</u>

1. This type of capital surplus may be used to make up for loss or, when the Company has no loss, may be distributed in cash or capitalized as equity, provided that the capitalization as equity is limited to a certain percentage of paid-in capital each year.
2. This type of capital surplus represents the effect of equity transactions recognized for changes in the Company's equity when the Company has not actually acquired or disposed of shares in a subsidiary, or adjustments to the capital surplus for the Company's subsidiaries accounted for using the equity method.
3. In August 2024, the Company reclassified capital surplus - employee stock options of \$1,440 thousand and capital surplus - lapsed stock options of \$36 thousand recognized on the grant date to capital surplus - stock issuance premium of \$1,476 thousand. Please refer to Note 27 for the explanation of employee stock options.

(III) Retained Earnings and Dividend Policy

In accordance with the earnings distribution policy stipulated in the Company's Article of Incorporation, if there are earnings for the current year as concluded in the annual final accounts, the Company shall pay tax in accordance with the law and make up for accumulated losses first, then set aside 10% as legal reserve except when legal reserve has reached the Company's paid-in capital, and then appropriate or reverse special reserve in accordance with the law.

If there is still a remainder in the earnings, the Board of Directors shall prepare a proposal for distribution of the remainder together with accumulated undistributed

earnings, and submit it to the shareholder's meeting for resolution on the distribution of dividends to shareholders. Distribution of dividends to shareholders.

If the dividends are to be distributed in cash, the Board of Directors is authorized to make such a resolution with the attendance of at least two-thirds of the directors and the approval of a majority of the directors in attendance and report the resolution to the shareholders' meeting. The Company's Articles of Incorporation provide a policy of profit-sharing remuneration for employees and directors, which is described in Note 24 (7) Profit-sharing remuneration for employees and profit-sharing remuneration for directors.

The Company is still in the stage of business growth. In order to adapt to the overall industry environment and meet the needs of business expansion, future dividend payments will be determined based on the Company's medium- and long-term financial budget and capital planning, with the goal of balancing the dividend policy and the pursuit of a stable and sustainable business development. In principle, cash dividends to shareholders should not be less than 20% of the distributable dividends to shareholders, but may be adjusted depending on the internal and external operating environment.

Legal reserve should be appropriated until its balance reaches the Company's paid-in capital. Legal reserve may be used to make up for loss. When the Company has no accumulated loss, the portion of legal reserve exceeding 25% of the Company's total paid-in capital may be distributed in cash in addition to being capitalized as equity.

The Company's earnings distribution proposals for the years of 2023 and 2022 were as follows:

	2023	2022
Legal reserve	<u>\$ 5,469</u>	<u>\$ 8,611</u>
Special reserve	<u>\$ 14,759</u>	<u>(\$ 4,213)</u>
Cash dividends	<u>\$ 23,332</u>	<u>\$ 23,332</u>
Cash dividends per share (\$)	\$ 0.35	\$ 0.35

The aforesaid distributions of cash dividends were resolved by the Board of Directors on March 29, 2024 and April 25, 2023, respectively, and the rest earnings distribution proposals were also resolved by the regular shareholders' meetings on June 27, 2024 and June 28, 2023, respectively.

The Board of Directors of the Company on March 11, 2025 proposed the following distribution of the earnings for the year of 2024:

	<u>2024</u>
Legal reserve	<u>\$ 15,442</u>
Special reserve	<u>(\$ 16,080)</u>
Cash dividends	<u>\$ 58,131</u>
Cash dividends per share (\$)	<u>\$ 0.80</u>

The aforesaid distribution of cash dividends has been resolved by the Board of Directors and the rest is still pending the resolution of the regular shareholders' meeting on May 26, 2025.

(IV) Special Reserve

	<u>2024</u>	<u>2023</u>
Balance at the beginning of the year	\$ 5,067	\$ 9,280
Provision for (Reversal of) special reserve		
Provision for (Reversal of) reduction of other equity	<u>14,759</u>	<u>(4,213)</u>
Balance at the end of the year	<u>\$ 19,826</u>	<u>\$ 5,067</u>

(V) Other Equity

1. Exchange differences on translation of foreign financial statements

	<u>2024</u>	<u>2023</u>
Balance at the beginning of the year	(\$ 26,203)	(\$ 2,341)
Incurring in the year		
Exchange differences on translation of foreign financial statements	45,652	(29,828)
Related income tax	<u>(9,131)</u>	<u>5,966</u>
Balance at the end of the year	<u>\$ 10,318</u>	<u>(\$ 26,203)</u>

2. Unrealized valuation gains or losses on financial assets at fair value through other comprehensive income

	2024	2023
Balance at the beginning of the year	\$ 6,377	(\$ 2,726)
Incurred in the year		
Unrealized gains and losses on equity instruments	(20,442)	9,103
Balance at the end of the year	<u>(\$ 14,065)</u>	<u>\$ 6,377</u>
(VI) Non-controlling Interests		
	2024	2023
Balance at the beginning of the year	\$ 121,841	\$ 117,281
Net profit for the year	21,316	16,304
Other comprehensive income for the year		
Exchange differences on translation of foreign financial statements	4,289	(2,214)
Related income tax	7	(3)
Decrease in non-controlling interests from cash dividends paid by the subsidiary, Jiangsu Wieson	(6,826)	-
Decrease in non-controlling interests from return of share payment in connection with disposal of Huade Co., Ltd.	-	(9,527)
Balance at the end of the year	<u>\$ 140,627</u>	<u>\$ 121,841</u>

XXIII. Revenues

	2024	2023
Revenues from customer contracts		
Revenues from merchandise sales	<u>\$ 3,083,420</u>	<u>\$ 2,648,021</u>

(I) Contract Balance

	December 31, 2024	December 31, 2023	January 1, 2023
Accounts receivable (Note 10)	<u>\$1,098,033</u>	<u>\$ 866,195</u>	<u>\$ 859,025</u>
Contract liabilities - current			
Product sales	<u>\$ 24,876</u>	<u>\$ 20,876</u>	<u>\$ 13,851</u>

Changes in contract liabilities are mainly due to the difference between the timing of meeting performance obligations and the timing of customer payments.

(II) Breakdown of revenues from customer contracts

2024

Type of products	Reportable segment			Total
	Interconnect components	Automotive components	Others	
Revenues from product sales				
Interconnect components	\$ 1,391,090	\$ 1,347	\$ -	\$ 1,392,437
Automotive components	9,604	1,655,279	-	1,664,883
Others	513	25,587	-	26,100
Total	<u>\$ 1,401,207</u>	<u>\$ 1,682,213</u>	<u>\$ -</u>	<u>\$ 3,083,420</u>

2023

Type of products	Reportable segment			Total
	Interconnect components	Automotive components	Others	
Revenues from product sales				
Interconnect components	\$ 1,075,856	\$ 3,977	\$ -	\$ 1,079,833
Automotive components	8,211	1,527,679	-	1,535,890
Others	3,501	28,797	-	32,298
Total	<u>\$ 1,087,568</u>	<u>\$ 1,560,453</u>	<u>\$ -</u>	<u>\$ 2,648,021</u>

XXIV. Net Profit for the Year

(I) Interest Income

	2024	2023
Bank deposits	\$ 2,965	\$ 1,337
Financial assets at amortized cost	3,702	1,275
	<u>\$ 6,667</u>	<u>\$ 2,612</u>

(II) Other Income

	2024	2023
Lease income		
Investment property (Note 15)	\$ 986	\$ 1,268
Other operating leases	961	272
Dividend income		
Investments in equity instruments at fair value through other comprehensive income	3,324	795
	<u>\$ 5,271</u>	<u>\$ 2,335</u>

(III) Other Gains (Losses)

	2024	2023
Gains (Losses) on financial assets and financial liabilities		
Financial assets mandatorily measured at fair value through profit or loss	\$ -	(\$ 2,433)
Net foreign exchange gains	33,544	10,997
Gain (Loss) on disposal of property, plant and equipment	(1,893)	24
Gain (Loss) on disposal of intangible assets	5	(118)
(Reversal of) Impairment loss on property, plant and equipment	89	(1,134)
Others	<u>37,682</u>	<u>19,331</u>
	<u>\$ 69,427</u>	<u>\$ 26,667</u>

(IV) Finance Costs

	2024	2023
Interests on bank loans	\$ 28,961	\$ 25,519
Interests on lease Liabilities	<u>1,072</u>	<u>1,243</u>
	<u>\$ 30,033</u>	<u>\$ 26,762</u>

(V) Depreciation and Amortization

	2024	2023
Depreciation expenses summarized by function		
Operating costs	\$ 86,319	\$ 86,386
Operating expenses	<u>34,188</u>	<u>29,913</u>
	<u>\$ 120,507</u>	<u>\$ 116,299</u>
Amortization expenses summarized by function		
Operating costs	\$ 587	\$ 527
Operating expenses	<u>10,807</u>	<u>9,016</u>
	<u>\$ 11,394</u>	<u>\$ 9,543</u>

(VI) Employee Benefit Expenses

	2024	2023
Post-employment benefits		
Defined contribution plan	\$ 6,978	\$ 6,971
Defined benefit plan (Note 21)	(<u>32</u>)	(<u>41</u>)
	6,946	6,930
Other employee benefits	<u>743,576</u>	<u>625,708</u>
Total employee benefit expenses	<u>\$ 750,522</u>	<u>\$ 632,638</u>

(Continued on next page)

(Continued from previous page)

	<u>2024</u>	<u>2023</u>
Summarized by function		
Operating costs	\$ 371,534	\$ 324,862
Operating expenses	<u>378,988</u>	<u>307,776</u>
	<u>\$ 750,522</u>	<u>\$ 632,638</u>

(VII) Profit-sharing remuneration for employees and profit-sharing remuneration for directors

In accordance with the Company's Articles of Incorporation, the Company shall provide 1% to 10% of its pre-tax profit for the year as employee remuneration, and no more than 5% as director remuneration, before distributing profit-sharing remuneration.

The estimated profit-sharing remuneration for employees and profit-sharing remuneration for directors for 2024 and 2023 was resolved by the Board of Directors on March 11, 2025 and March 29, 2024, respectively, as follows:

Estimated percentage

	<u>2024</u>	<u>2023</u>
Profit-sharing remuneration for employees	6.09%	5.50%
Profit-sharing remuneration for directors	2.54%	2.29%

Amount

	<u>2024</u>	<u>2023</u>
Profit-sharing remuneration for employees	<u>\$ 12,887</u>	<u>\$ 4,309</u>
Profit-sharing remuneration for directors	<u>\$ 5,370</u>	<u>\$ 1,795</u>

Any change in the amounts after the publication of consolidated financial statements will be accounted for as a change in accounting estimate and recorded as an adjustment in the following year.

The actual amounts of profit-sharing remuneration for employees and profit-sharing remuneration for directors for 2023 and 2022 were the same as those recognized in the consolidated financial statements for 2023 and 2022.

Please refer to the "Market Observation Post System" of the Taiwan Stock Exchange for information on the profit-sharing remuneration for employees and directors resolved by the Board of Directors of the Company.

(VIII) Foreign Exchange (Losses) Gains

	2024	2023
Total foreign exchange gains	\$ 572,924	\$ 48,418
Total foreign exchange losses	(539,380)	(37,421)
Net gains	<u>\$ 33,544</u>	<u>\$ 10,997</u>

XXV. Income Tax

Income tax recognized in profit or loss

The major components of income tax expense are as follows.

	2024	2023
Current income tax		
Incurred in the year	\$ 27,856	\$ 18,280
Additional levy on undistributed earnings	556	2,708
Adjustments for prior years	(17)	(5,543)
	<u>28,395</u>	<u>15,445</u>
Deferred income tax		
Incurred in the year	38,814	7,761
Adjustments for prior years	2,971	-
	<u>41,785</u>	<u>7,761</u>
Income tax expense recognized in profit or loss	<u>\$ 70,180</u>	<u>\$ 23,206</u>

The reconciliation of accounting income to income tax expense is as follows:

	2024	2023
Net profit before tax	<u>\$ 245,708</u>	<u>\$ 94,189</u>
Income tax expense at statutory tax rate on net profit before tax	\$ 71,269	\$ 35,103
Non-deductible expenses for tax purposes	1,848	871
Items to be adjusted on determining taxable income	(461)	802
Tax-exempt income	(313)	(87)
Additional levy on undistributed earnings	556	2,708
Unrecognized loss carryforwards	-	(70)
Adjustments in the current year to the current income tax expenses of prior years	2,954	(5,543)

(Continued on next page)

(Continued from previous page)

	<u>2024</u>	<u>2023</u>
Income tax credit incurred in the year	(10,333)	(10,578)
Deduction from repatriation of earnings of subsidiaries	<u>4,660</u>	<u>-</u>
Income tax expense recognized in profit or loss	<u>\$ 70,180</u>	<u>\$ 23,206</u>

The tax rate applicable to the Company and Wieson Automotive (Taiwan) Co., LTD. of the Consolidated Company. as an entity subject to the Income Tax Act of the Republic of China is 20%.

Dongguan Wieson and Jiangsu Wieson of the Consolidated Company estimate income tax expense in accordance with Article 4 of the “Corporate Income Tax Law” of the People's Republic of China, and are subject to a preferential income tax rate of 15% from 2022 to 2025 under the “Measures for the Administration of the Certification of High-Tech Enterprises”.

WIESON AMERICA, INC. of the Consolidated Company's is subject to the U.S. federal tax rate of 21% and California state tax rate of 8.84% under American income tax law.

WIESON TECHNOLOGIES (VIETNAM) CO., LTD. of the Consolidated Company is subject to a tax rate of 20% of the country's income tax law. However, the Consolidated Company benefits from the country's preferential tax policy and is exempt from corporate income tax for two years starting from the first year of generating taxable income, and will receive a 50% tax reduction for the next four years on income from new investment projects.

(II) Income tax recognized in other comprehensive income

	<u>2024</u>	<u>2023</u>
<u>Deferred income tax</u>		
Incurring in the year		
- Translation of foreign financial statements	(\$ 9,096)	\$ 5,963
- Remeasurement of defined Benefit Plan	(<u>51</u>)	(<u>3</u>)
Income tax recognized in other comprehensive income	(<u>\$ 9,147</u>)	(<u>\$ 5,960</u>)

(III) Current Income Tax Assets and Liabilities

	December 31, 2024	December 31, 2023
Current income tax assets		
Income tax refund receivable	\$ 722	\$ 698
Current income tax liabilities		
Income tax payable	\$ 12,657	\$ 14,265

(IV) Deferred Income Tax Assets and Liabilities

Changes in deferred income tax assets and liabilities are as follows:

2024

	Balance at the beginning of the year	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Balance at the end of the year
Deferred income tax assets					
Temporary differences					
Exchange differences on translation of foreign financial statements	\$ 6,596	\$ -	(\$ 6,596)	\$ -	\$-
Defined benefit plan	420	-	(51)	-	369
Allowance for loss	1,711	(1,068)		39	682
Unrealized exchange gains and losses	1,605	(1,617)	-	12	-
Allowance for loss on decline in value of inventories	11,254	(4,715)	-	333	6,872
Others	1,530	64	-	4	1,598
Loss carryforwards	46,527	(12,517)	-	223	34,233
	<u>\$ 69,643</u>	<u>(\$ 19,853)</u>	<u>(\$ 6,647)</u>	<u>\$ 611</u>	<u>\$ 43,754</u>
Deferred income tax liabilities					
Temporary differences					
Exchange differences on translation of foreign financial statements	\$ -	\$ -	\$ 2,500	(\$ 20)	\$ 2,480
Investments accounted for using the equity method	133,243	22,401	-	-	155,644
Unrealized exchange gains and losses	-	2,305	-	6	2,311
Difference in depreciable life	10,018	(2,774)	-	335	7,579
	<u>\$ 143,261</u>	<u>\$ 21,932</u>	<u>\$ 2,500</u>	<u>\$ 321</u>	<u>\$ 168,014</u>

2023

	Balance at the beginning of the year	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Balance at the end of the year
Deferred income tax assets					
Temporary differences					
Exchange differences on translation of foreign financial statements	\$ 657	\$ -	\$ 5,963	(\$ 24)	\$ 6,596
Defined benefit plan	423	-	(3)	-	420

(Continued on next page)

(Continued from previous page)

	Balance at the beginning of the year	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Balance at the end of the year
Allowance for loss	2,079	(345)	-	(23)	1,711
Unrealized exchange gains and losses	1,978	(364)	-	(9)	1,605
Allowance for loss on decline in value of inventories	10,969	470	-	(185)	11,254
Others	1,353	179	-	(2)	1,530
Loss carryforwards	32,785	13,843	-	(101)	46,527
	<u>\$ 50,244</u>	<u>\$ 13,783</u>	<u>\$ 5,960</u>	<u>(\$ 344)</u>	<u>\$ 69,643</u>
Deferred income tax liabilities					
Temporary differences					
Investments accounted for using the equity method	\$ 111,591	\$ 21,652	\$ -	\$ -	\$ 133,243
Unrealized exchange gains and losses	35	(35)	-	-	-
Difference in depreciable life	10,279	(73)	-	(188)	10,018
	<u>\$ 121,905</u>	<u>\$ 21,544</u>	<u>\$ -</u>	<u>(\$ 188)</u>	<u>\$ 143,261</u>

(V) Information on Unused Loss Carryforward

Information on loss carryforward as of December 31, 2024 is as follows:

Loss carryforward of the Consolidated Company

Undeducted balance	Final deductible year
\$ 10,937	2028
3,847	2029
4,700	2030
64	2031
156	2032
11,094	2033
3,435	2034
<u>\$ 34,233</u>	

(VI) The Status of Income Tax Assessment

The Company's income tax returns have been assessed by the tax authorities up to 2022. The income tax returns of Wieson Automotive of the Consolidated Company have been assessed by the tax authorities up to 2021.

XXVI. Earnings per Share

Unit: In NTD per share

	2024	2023
Basic earnings per share	<u>\$ 2.28</u>	<u>\$ 0.82</u>
Diluted earnings per share	<u>\$ 2.27</u>	<u>\$ 0.81</u>

Earnings and weighted average number of common stock used to calculate earnings per share are as follows:

Net profit for the year

	<u>2024</u>	<u>2023</u>
Net profit used to calculate basic earnings per share	<u>\$ 154,212</u>	<u>\$ 54,679</u>
Net profit used to calculate diluted earnings per share	<u><u>\$ 154,212</u></u>	<u><u>\$ 54,679</u></u>

Number of shares

Unit: In thousands of shares

	<u>2024</u>	<u>2023</u>
Weighted average number of common stock used to calculate basic earnings per share	67,697	66,664
Impact of potential common stock with dilutive effect:		
Profit-sharing remuneration for employees	<u>338</u>	<u>521</u>
Weighted average number of common stock used to calculate diluted earnings per share	<u><u>68,035</u></u>	<u><u>67,185</u></u>

If the Consolidated Company has the option to settle profit-sharing remuneration for employees in cash or stock, it shall assume the remuneration would be settled in stock for the purpose of calculating diluted earnings per share and the weighted average number of stocks outstanding shall be included in the calculation of diluted earnings per share when the potential common stock has a dilutive effect. The dilutive effect of these potential common stocks shall also continue to be taken into account in the calculation of diluted earnings per share until the number of stocks to be distributed as profit-sharing remuneration for employees is resolved in the following year.

XXVII. Share-based Payment Agreement

On August 8, 2024, the Board of Directors resolved to increase capital in cash and retained 15% of the additional shares, amounting to 900,000 shares, of the capital increase to be subscribed by the Company's employees in accordance with the law. The Company recognized profit-sharing remuneration cost and capital surplus of \$1,476 thousand for the share-based payment agreement based on the fair value of the stock options at the grant date of grant.

Information on the employee stock options is as follows:

Employee stock options	2024	
	Unit (in thousands)	Exercise price (in NTD)
Outstanding at the beginning of the year	-	\$ -
Granted in the year	900	34
Exercised in the year	(878)	34
Lapsed in the year	(22)	34
Outstanding at the end of the year	-	
Exercisable at the end of the year	-	
Weighted average fair value of stock options granted in the year (NTD)	\$ 1.64	

The Company used the Black-Scholes-Merton valuation model for the employee stock options granted in August 2024, and the inputs used in the valuation model were as follows:

	Stock option rights
Stock price at the grant date	NTD 32.62
Exercise price	NTD 34
Expected volatility	42.65%
Duration of stock options	57 days
Expected dividend rate	-%
Risk-free interest rate	1.20%

The profit-sharing remuneration cost recognized in 2024 was \$1,476 thousand.

XXVIII. Non-cash Transactions

(I) Non-cash Transactions

In addition to those stated in Other Disclosures, the Company carried out the following non-cash transactions in investment activities in 2024 and 2023:

1. The Consolidated Company reclassified the prepayments for equipment to inventories, property, plant and equipment, right-of-use assets, and intangible assets in the amount of \$362 thousand, \$5,694 thousand, \$36,783 thousand, and \$2,039 thousand, respectively, in 2024 (see Notes 13 and 16).
2. The Consolidated Company reclassified inventories to property, plant and equipment in the amount of \$5,196 thousand in 2024 (see Note 13).
3. The Consolidated Company reclassified investment property to property, plant and equipment in the amount of \$910 thousand in 2024 (see Notes 13 and 15).

4. The Consolidated Company reclassified the prepayments for equipment to inventories, property, plant and equipment, and intangible assets in the amount of \$996 thousand, \$5,689 thousand, and \$5,202 thousand, respectively, in 2023 (see Notes 13 and 16).
5. The Consolidated Company reclassified inventories to property, plant and equipment in the amount of \$7,339 thousand in 2023 (see Note 13).

(II) Changes in Liabilities from Financing Activities

2024

	January 1, 2024	Cash flows	Non-cash changes Additions to leases	Others	December 31, 2024
Short-term Loans	\$ 621,879	(\$ 262,314)	\$ -	\$ -	\$ 359,565
Long-term Loans	406,044	273,684	-	2,404	682,132
Lease Liabilities	33,394	(24,028)	773	2,010	12,149
	<u>\$ 1,061,317</u>	<u>(\$ 12,658)</u>	<u>\$ 773</u>	<u>\$ 4,414</u>	<u>\$ 1,053,846</u>

2023

	January 1, 2023	Cash flows	Non-cash changes Additions to leases	Others	December 31, 2023
Short-term Loans	\$ 468,464	\$ 153,415	\$ -	\$ -	\$ 621,879
Long-term Loans	466,826	(59,337)	-	(1,445)	406,044
Lease Liabilities	11,574	(22,847)	43,931	736	33,394
	<u>\$ 946,864</u>	<u>\$ 71,231</u>	<u>\$ 43,931</u>	<u>(\$ 709)</u>	<u>\$ 1,061,317</u>

XXIX. Capital Risk Management

The Consolidated Company is currently operating steadily, and the objective of capital risk management is to ensure that the Consolidated Company can continue to operate and grow by optimizing the balance of debt and equity in order to maximize the return to shareholders.

The Consolidated Company adopts a prudent risk management strategy and conducts regular reviews to determine the appropriate capital structure of the Consolidated Company based on the overall planning of business development strategy and operational needs.

XXX. Financial Instruments

(I) Fair value information – Financial instruments not measured at fair value

The Consolidated Company's management believes that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values because of the imminent maturities of these assets and liabilities, or because the prices to be received or paid in the future approximate their carrying amounts.

(II) Fair value information - Financial instruments at fair value on a recurring basis

1. Fair value hierarchy

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value</u> <u>through other</u> <u>comprehensive income</u>				
Investments in equity instruments				
- Domestic unlisted stocks	\$ -	\$ -	\$ 6,370	\$ 6,370
- Foreign unlisted stocks	-	-	18,257	18,257
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,627</u>	<u>\$ 24,627</u>

December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value</u> <u>through other</u> <u>comprehensive income</u>				
Investments in equity instruments				
- Domestic unlisted stocks	\$ -	\$ -	\$ 15,749	\$ 15,749
- Foreign unlisted stocks	-	-	31,639	31,639
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,388</u>	<u>\$ 47,388</u>

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

2. Reconciliation of financial instruments measured at Level 3 fair value

	<u>Financial assets at fair value through</u> <u>other comprehensive income</u>	
	<u>Equity instruments</u>	
<u>Financial assets</u>	<u>2024</u>	<u>2023</u>
Balance at the beginning of the year	\$ 47,388	\$ 41,110
Recognized in other comprehensive income (unrealized valuation gains or losses on financial assets at fair value through other comprehensive income)	(20,442)	9,103
Return of share payment in connection with capital reduction	(3,224)	(2,339)
Exchange rate effect	905	(486)
Balance at the end of the year	<u>\$ 24,627</u>	<u>\$ 47,388</u>

3. Valuation technique and inputs used in Level 2 fair value measurement

Type of financial instruments	Valuation technique and inputs
Derivative instruments - Foreign exchange forward contracts	Discounted cash flow method: Future cash flows are estimated based on observable forward exchange rate at the end of the period and contractual exchange rates, and are discounted at a rate that reflects the credit risk of each counterparty.

4. Valuation technique and inputs used in Level 3 fair value measurement

The fair value of equity investments in domestic and foreign unlisted firms with no active market is estimated primarily using the asset method and market method.

The asset method takes reference to the net asset value based on the fair value determined by an independent agency. The unobservable inputs used were liquidity discounts, which were 14.53% and 14.38% at December 31, 2024 and 2023, respectively.

The market method focuses on assessing the fair value of similar targets with reference to relevant information such as market conditions. The unobservable inputs used are liquidity discounts, which were 34.9% and 30.38% at December 31, 2024 and 2023, respectively.

(III) Type of Financial Instruments

	December 31, 2024	December 31, 2023
<u>Financial assets</u>		
Financial assets at amortized cost (Note 1)	\$ 1,599,381	\$ 1,381,580
Financial assets at fair value through other comprehensive income		
Investments in equity instruments	24,627	47,388
<u>Financial liabilities</u>		
Measured at amortized cost (Note 2)	2,023,193	1,810,305

Note 1: The balance includes such financial assets at amortized cost as cash and cash equivalents, financial assets at amortized cost, notes receivable, accounts receivable, other receivables, and refundable deposits, etc.

Note 2: The balance includes such financial liabilities at amortized cost as short-term loans, notes payable, accounts payable, other payables, long-term loans due within one year, long-term loans and deposits received, etc.

(IV) Purpose and Policy of Financial Risk Management

The Consolidated Company's major financial instruments include investments in equity instruments, accounts receivable, accounts payable, loans and lease liabilities. The Consolidated Company's financial management department provides services to each business unit, coordinates the use of operating capital, and monitors and manages the financial risks associated with the Consolidated Company's operations through internal risk reports that analyze exposures based on the degree and breadth of the risks. These risks include market risk (which includes exchange rate risk and interest rate risk), credit risk and liquidity risk.

1. Market risk

The Consolidated Company's operating activities expose the Consolidated Company to the risks of changes in foreign currency exchange rates (see (1) below) and changes in interest rates (see (2) below). The Consolidated Company engages in various derivative financial instruments to manage its exposures to foreign currency exchange rate risk, including foreign exchange forward contracts to hedge the exchange rate risk arising from the export of products.

(1) Exchange rate risk

The Consolidated Company engages in sales and purchases transactions denominated in foreign currencies, which expose the Consolidated Company to exchange rate risk. In order to avoid fluctuations in future cash flows due to changes in foreign currency exchange rates, the Consolidated Company uses foreign exchange forward contracts to hedge foreign currency exchange rate risk. The use of derivative financial instruments, such as foreign exchange forward contracts, can help the Consolidated Company to minimize, but not completely eliminate, the effects of changes in foreign currency exchange rates.

The carrying amounts of the Consolidated Company's monetary assets and liabilities denominated in currencies other than the functional currency at the balance sheet date and the carrying amounts of derivatives exposed to exchange rate risk are summarized in Note 34.

Sensitivity analysis

The Consolidated Company is primarily affected by fluctuations in the exchange rates of USD.

The following table details the sensitivity analysis of the Consolidated Company's exposure when the exchange rate of NTD (the functional currency) increases and decreases by 1% against each relevant foreign currency. 1% is the sensitivity percentage used by the Consolidated Company to report the exchange rate risk to the key management and represents management's assessment of the reasonably possible range of change in foreign currency exchange rates. The sensitivity analysis includes only the monetary items in foreign currencies outstanding and adjusts the year-end translation by 1% change in foreign exchange rates. The positive numbers in the following table represent the increase in net profit before tax if NTD had weakened by 1% against each of the respective currencies, If NTD had strengthened by 1% against each of the respective currencies, the effect on net profit before tax will have been negative in the same amount.

	<u>2024</u>	<u>2023</u>
Profit or loss	\$ 4,736	\$ 3,542

(2) Interest rate risk

The Consolidated Company's interest rate risk consists mainly of borrowings with floating interest rates. Fluctuations in interest rates will affect future cash flows, but will not affect fair values.

The carrying amounts of the Consolidated Company's financial assets and financial liabilities exposed to interest rate risk at the balance sheet date were as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
With fair value interest rate risk		
- Financial assets	\$ 235,892	\$ 214,514
With cash flow interest rate risk		
- Financial liabilities	1,041,697	1,027,923

Sensitivity analysis

The following sensitivity analysis is based on the interest rate exposure of the derivative and non-derivative instruments at the balance sheet date. For liabilities with floating rates, the analysis assumes that the amount of the liability outstanding at the balance sheet date is outstanding for the entire reporting period. The percentage of change used by the Group internally to report to key management is 1% increase or decrease in interest rates, which also represents the management's assessment of the reasonably possible range of change in interest rates.

If interest rates had increased/decreased by 1%, with all other variables held constant, the Consolidated Company's net profit before tax would have decreased/increased by \$10,417 thousand and \$10,279 thousand for 2024 and 2023, respectively, mainly due to the risk of fluctuations in interest rates on the Consolidated Company's floating-rate borrowings.

2. Credit risk

Credit risk refers to the risk of financial loss suffered by the Consolidated Company resulting from default by counterparties on contractual obligations. As of the balance sheet date, the Consolidated Company's maximum exposure to credit risk that could result in financial loss due to default by counterparties on contractual obligations and provision of financial guarantees by the Consolidated Company mainly came from the following:

- (1) The carrying amount of financial assets recognized in the consolidated statements of financial position
- (2) Maximum amount that the Consolidated Company may be required to pay for the provision of financial guarantees, without regard to the possibility of occurrence.

The Consolidated Company's policy requires transactions to be conducted with creditworthy parties and, if necessary, sufficient guarantees to be obtained, to mitigate the risk of financial loss due to default. In order to mitigate credit risk, the Consolidated Company's management has established management control procedures for credit limit decisions and credit approvals to ensure the collection of overdue receivables. In addition, the Consolidated Company reviews the recoverable amount of receivables at each balance sheet date to ensure that

appropriate impairment loss has been provided for the uncollectible receivables. Accordingly, the Consolidated Company's management believes that the Consolidated Company's credit risk is significantly reduced. In addition, since the counterparties of liquidity transactions are all financial institutions and corporate organizations with good credit ratings, the credit risk is limited, and therefore, no significant credit risk is expected.

Accounts receivable are from a wide range of customers in different industries and geographical areas. The Consolidated Company continuously evaluates the financial position of its accounts receivable customers and purchases credit guarantee insurance contracts when necessary.

3. Liquidity risk

The Consolidated Company manages and maintains a normal level of cash and cash equivalents to support operations and mitigate the effects of fluctuations in cash flows. The Consolidated Company's management monitors the utilization of bank financing facilities and ensures compliance with the terms of the borrowing agreements.

Bank loans are an important source of liquidity for the Consolidated Company. As of December 31, 2024 and 2023, the Consolidated Company had unutilized bank financing facilities in the amount of \$1,282,079 thousand and \$1,137,982 thousand, respectively.

Liquidity and interest rate risk of non-derivative financial liabilities

The maturity analysis of remaining contracts for non-derivative financial liabilities is prepared based on the undiscounted cash flows (including principal and estimated interest) of the financial liabilities based on the earliest possible date on which the Consolidated Company can be required to make repayment. Therefore, bank loans that the Consolidated Company may be required to repay immediately are shown in the earliest period in the table below, without regard to the probability that the bank will enforce the right immediately; the maturity analysis of other non-derivative financial liabilities is prepared based on the contractual repayment dates.

The undiscounted interest amount of interest cash flows paid at floating interest rates is derived from the curve of the yield rate at the balance sheet date.

December 31, 2024

	Effective interest rate	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
<u>Non-derivative financial liabilities</u>						
Short-term Loans	2.55%	\$ 368,724	\$ -	\$ -	\$ -	\$ 368,724
Notes payable	-	207	-	-	-	207
Accounts payable	-	798,514	-	-	-	798,514
Lease Liabilities	2.00%~4.80%	10,477	1,010	874	-	12,361
Other payables	-	181,717	-	-	-	181,717
Long-term Loans	2.26%	77,789	80,215	471,318	68,397	697,719

Further information on the maturity analysis of lease liabilities is as follows:

	Less than 1 year	1~5 years	5~20 years	More than 20 years
Lease Liabilities	<u>\$ 10,477</u>	<u>\$ 1,884</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2023

	Effective interest rate	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
<u>Non-derivative financial liabilities</u>						
Short-term Loans	2.35%	\$ 636,493	\$ -	\$ -	\$ -	\$ 636,493
Notes payable	-	99,714	-	-	-	99,714
Accounts payable	-	553,585	-	-	-	553,585
Lease Liabilities	2%~4.8%	21,155	9,912	582	-	31,649
Other payables	-	128,892	-	-	-	128,892
Long-term Loans	1.71%	50,654	215,904	129,708	16,721	412,987

Further information on the maturity analysis of lease liabilities is as follows:

	Less than 1 year	1~5 years	5~20 years	More than 20 years
Lease Liabilities	<u>\$ 21,155</u>	<u>\$ 10,494</u>	<u>\$ -</u>	<u>\$ -</u>

(V) Information on Transfers of Financial Assets

The Consolidated Company transfers certain banker's acceptances receivable in Mainland China to banks by endorsement, such as Industrial and Commercial Bank of China, for discounting or transfers to suppliers as payment of accounts payable. Since the transferred bills are banker's acceptances with higher credit ratings and lower credit risk and payment delinquency risk, almost all of the risks and rewards of these bills are shifted with the transfer and endorsement of the bills, and therefore the Consolidated Company derecognizes the banker's acceptances receivable transferred.

The maximum loss exposure for the Consolidated Company's continuing participation in the derecognized banker's acceptances amounts to the face value of

the banker's acceptances transferred and not yet matured, which amounted to \$148,652 thousand and \$89,132 thousand at December 31, 2024 and 2023, respectively, and these bills would be matured within one to six months after the balance sheet date. Considering the credit risk of the derecognized banker's acceptances, the Consolidated Company assessed that the fair value of its continuing participation was not significant.

For 2024 and 2023, the Consolidated Company recognized finance costs of \$156 thousand and \$281 thousand, respectively, on the transfer of banker's acceptances receivable, and no gain or loss was recognized for the current period and cumulatively for the continuing participation in these bills.

XXXI. Related Party Transactions

Transactions, account balances, revenues and expenses between the Company and its subsidiaries, which are related parties of the Company, were eliminated upon consolidation and are therefore not disclosed in this Note. Transactions between the Consolidated Company and other related parties were as follows.

(I) Names of Related Parties and Relationships

<u>Name of Related Party</u>	<u>Relationship with the Consolidated Company</u>
Xīnbao Wei Development Co., Ltd. (Xīnbao Wei)	The chairperson of this firm is a director of the Company
Baoyuan International Investment Co., Ltd. (Baoyuan)	The chairperson of this firm is a key member of the Company's management
Donnguan Shuixiang GTIP Campus 1 C&D Co., Ltd. (Campus 1 C&D)	The chairperson of this firm is the same person as the Chairperson of the Company.

(II) Lease Agreements

Type of Related Party/Name	2024	2023
Acquisition of right-of-use assets		
Xīnbao Wei	\$ -	\$ 41,938

Account in the financial statements	Type of Related Party/Name	December 31, 2024	December 31, 2023
Lease liabilities - current	Xīnbao Wei	\$ 9,241	\$ 9,082
Lease liabilities - non-current	Xīnbao Wei	\$ -	\$ 20,563

Type of Related Party/Name	2024	2023
<u>Interest expense</u>		
Xīnbao Wei	<u>\$ 1,000</u>	<u>\$ 1,123</u>
<u>Lease expense</u>		
Xīnbao Wei	<u>\$ 22,324</u>	<u>\$ 21,222</u>

The Consolidated Company's had the following lease agreements with related parties:

2024

Lessee	Lessor	Subject of the lease	Purpose of the lease	Lease period	Lease payment method	Rental	Future rentals payable under signed lease agreements
Wieson Technologies (Dongguan) Co., LTD.	Other related parties	Dongguan Houjie Huangang Industrial Zone	Business use	2023.06.01~ 2025.05.31	Quarterly payment	RMB 1,253,000 per quarter	RMB 2,088 thousand as of 2025.05.31

2023

Lessee	Lessor	Subject of the lease	Purpose of the lease	Lease period	Lease payment method	Rental	Future rentals payable under signed lease agreements
Wieson Technologies (Dongguan) Co., LTD.	Other related parties	Dongguan Houjie Huangang Industrial Zone	Business use	2023.06.01~ 2025.05.31	Quarterly payment	RMB 1,253,000 per quarter	RMB 7,100 thousand as of 2025.05.31

(III) Acquisition of Property, plant and equipment

Type of Related Party/Name	Acquisition price
Campus 1 C&D	<u>\$ 67,707</u>

Dongguan Wieson, a subsidiary of the Consolidated Company, entered into a contract for the purchase of property with Campus 1 C&D on July 8, 2024, for a total consideration of \$221,004 thousand (RMB50,400 thousand), with an estimated delivery date of the property on November 15, 2025, and the Consolidated Company already paid \$67,707 thousand (RMB15,120 thousand), which is recorded as construction in progress. The Consolidated Company evaluated the overall plan for plant relocation needs, and on March 11, 2025, the Board of Directors approved the construction of an additional plant building in Dongguan Wieson, a subsidiary of the Consolidated Company, pending the resolution of the shareholders' meeting on May 26, 2025.

(IV) Others

Account in the financial statements	Type of Related Party/Name	December 31, 2024	December 31, 2023
Refundable deposits	Xinbao Wei	<u>\$ 8,354</u>	<u>\$ 7,817</u>
Deposits received	Baoyuan	<u>\$ 5</u>	<u>\$ 5</u>
Account in the financial statements	Type of Related Party/Name	2024	2023
Other income (accounted for as other income)	Baoyuan	<u>\$ 29</u>	<u>\$ 29</u>

(V) Salaries of Key Management

	2024	2023
Short-term employee benefits	\$ 28,494	\$ 19,951
Post-employment benefits	<u>216</u>	<u>216</u>
	<u>\$ 28,710</u>	<u>\$ 20,167</u>

The salaries of directors and other members of key management are determined by the Remuneration Committee based on individual performance and market trends.

XXXII. Pledged Assets

The following assets were pledged as collaterals for financing loans, guarantees for imported raw materials, and deposits for notes payable:

	December 31, 2024	December 31, 2023
Financial assets at amortized cost		
Pledged time deposits	\$ 1,794	\$ 1,766
Notes receivable	82,903	107,829
Property, plant and equipment		
Land	269,806	269,266
Buildings and structures	459,356	474,651
Investment property		
Land	29,174	29,715
Buildings and structures	9,964	9,880
Right-of-use assets	<u>27,636</u>	<u>27,798</u>
	<u>\$ 880,633</u>	<u>\$ 920,905</u>

XXXIII. Significant Contingent Liabilities and Unrecognized Commitments

- (I) As of December 31, 2024 and 2023, the Consolidated Company had committed to purchase property, plant and equipment in the amount of \$444,811 thousand and \$133,325 thousand, respectively, and had paid the prices of \$179,725 thousand and \$45,052 thousand, respectively, which were recorded in construction in progress and prepayments for equipment.
- (II) As of December 31, 2024 and 2023, the Consolidated Company had provided time deposit certificates in the amount of \$1,794 thousand and \$1,766 thousand,

respectively, to the Keelung Customs Office and the Taipei Customs Office, Ministry of Finance as guarantees for customs duties.

XXXIV. Information on Foreign Currency Assets and Liabilities with Significant Effect

The following information is expressed in foreign currencies other than the functional currencies of the Consolidated Company's individual entities, and the exchange rates disclosed represent the rates at which these foreign currencies were translated into the functional currencies. The foreign currency assets and liabilities with significant effect were as follows:

December 31, 2024

	Foreign currency	Exchange rate	Carrying amount
Foreign currency assets			
<u>Monetary item</u>			
USD	\$ 14,748	32.785 (USD: NTD)	\$ 484,513
USD	9,584	7.321 (USD: RMB)	314,196
EUR	103	34.140 (EUR: NTD)	3,508
EUR	64	7.624 (EUR: RMB)	2,191
HKD	349	4.222 (HKD: NTD)	1,472
HKD	1,741	0.943 (HKD: RMB)	7,349
Foreign currency liabilities			
<u>Monetary item</u>			
USD	9,554	32,785 (USD: NTD)	313,328
USD	247	7.321 (USD: RMB)	8,114
USD	112	25,401 (USD: VND)	3,660
EUR	45	34.14 (EUR: NTD)	1,536

December 31, 2023

	Foreign currency	Exchange rate	Carrying amount
Foreign currency assets			
<u>Monetary item</u>			
USD	\$ 10,814	30.705 (USD: NTD)	\$ 332,055
USD	8,574	7.096 (USD: RMB)	263,276
EUR	44	33.98 (EUR: NTD)	1,480
EUR	43	7.853 (EUR: RMB)	1,446
HKD	410	3.929 (HKD: NTD)	1,612
HKD	1,743	0.908 (HKD: RMB)	6,847

(Continued on next page)

(Continued from previous page)

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
Foreign currency liabilities			
<u>Monetary item</u>			
USD	7,563	30.705 (USD: NTD)	232,218
USD	292	7.096 (USD: RMB)	8,962

The Consolidated Company's foreign exchange gains (realized and unrealized) for 2024 and 2023 were \$33,544 thousand and \$10,997 thousand, respectively. Due to the wide variety of foreign currency transactions, the Consolidated Company is unable to disclose exchange gains or losses for each currency.

XXXV. Other Disclosures

(I) Information on Significant Transactions:

1. Lending of funds to others: None
2. Endorsement and guarantee for others: (Table 1)
3. Holding of marketable securities at the end of the period (excluding investees, affiliates, and joint ventures). (Table 2)
4. Cumulative purchase or sale of the same marketable securities amounting to at least NT\$300 million or 20% of the paid-in capital: None.
5. Acquisition of real estate amounting to at least NT\$300 million or 20% of the paid-in capital: (Table 3)
6. Disposal of real estate amounting to at least NT\$300 million or 20% of the paid-in capital: None.
7. Purchase or sale of goods with related parties amounting to at least NT\$100 million or 20% of the paid-in capital: (Table 4)
8. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: (Table 5)
9. Engagement in derivatives transactions: None
10. Others: Business relationships and significant intercompany transactions between the parent company and subsidiaries and between subsidiaries and the amounts involved: (Table 8)

(II) Information on Investees (Table 6)

(III) Information on Investment in Mainland China:

1. Name of investee in Mainland China, main business activities, paid-in capital, investment method, information on inflow or outflow of capital, shareholding

percentage, investment gain or loss, carrying amount at the end of the period, investment gain repatriated, and limit of investment in Mainland China. (Table 7)

2. Significant direct or indirect transactions through a third region with the investee in Mainland China, and the prices and payment terms, unrealized gain or loss thereof. (Table 7)

- (1) The amount and percentage of purchases and the balance and percentage of related payables at the end of the period.
- (2) The amount and percentage of sales and the balance and percentage of related receivables at the end of the period.
- (3) The amount of property transactions and the amount of the resulting gains or losses.
- (4) The balance of endorsements and guarantees of bills or provision of collateral at the end of the period and the purposes.
- (5) The highest balance, the ending balance, the interest rate range, and total interest for the period with respect to financial accommodation.
- (6) Other transactions that had a significant effect on the profit or loss for the period or on the financial position, such as provision or receipt of services.

XXXVI. Segment Information

(I) The information is used by the Consolidated Company's chief operating decision maker to allocate resources and evaluate segment performance, centering primarily on financial information for each operating region. The Consolidated Company's reportable segments are as follows:

1. Interconnect Components Segment
2. Automotive Components Segment
3. Other Segment

(II) Revenues, operating results, and segment assets of the Consolidated Company's continuing operations are analyzed by reportable segment as follows:

2024 Interconnect Components Segment	2024				
	Interconnect Components Segment	Automotive Components Segment	Others	Adjustments and eliminations	Total
<u>Segment revenues and operating results</u>					
Revenues from customers outside the Consolidated Company	\$ 1,401,207	\$ 1,682,213	\$ -	\$ -	\$ 3,083,420
Revenues from inside the Consolidated Company	942,277	11,507	-	(953,784)	-
Other revenues from customers outside the Consolidated Company	67,356	23,104	386	(50,356)	40,490
Total revenues	<u>\$ 2,410,840</u>	<u>\$ 1,716,824</u>	<u>\$ 386</u>	<u>(\$ 1,004,140)</u>	<u>\$ 3,123,910</u>
Segment profit (loss)	<u>\$ 39,417</u>	<u>\$ 196,399</u>	<u>\$ 1,027</u>	<u>\$ -</u>	<u>\$ 236,843</u>
<u>Segment revenues and operating results</u>					
Interest income					6,667
General other income of the Company					575,092
Finance costs					(30,033)
General expenses and losses of the Company					(542,861)
Net profit before tax					<u>\$ 245,708</u>
<u>Segment assets</u>					
Identifiable assets	<u>\$ 1,973,921</u>	<u>\$ 1,750,790</u>	<u>\$ 3,272</u>	<u>\$ -</u>	\$ 3,727,983
Investments					24,627
Deferred income tax assets					43,754
General assets of the Company					9,274
Total assets					<u>\$ 3,805,638</u>
2023 Interconnect Components Segment	2023				
	Interconnect Components Segment	Automotive Components Segment	Others	Adjustments and eliminations	Total
<u>Segment revenues and operating results</u>					
Revenues from customers outside the Consolidated Company	\$ 1,087,524	\$ 1,560,497	\$ -	\$ -	\$ 2,648,021
Revenues from inside the Consolidated Company	761,760	9,426	-	(771,186)	-
Other revenues from customers outside the Consolidated Company	56,773	22,900	374	(53,952)	26,095
Total revenues	<u>\$ 1,906,057</u>	<u>\$ 1,592,823</u>	<u>\$ 374</u>	<u>(\$ 825,138)</u>	<u>\$ 2,674,116</u>
Segment profit (loss)	<u>(\$ 42,778)</u>	<u>\$ 152,243</u>	<u>(\$ 102)</u>	<u>\$ -</u>	<u>\$ 109,363</u>
<u>Segment revenues and operating results</u>					
Interest income					2,612
General other income of the Company					50,767
Finance costs					(26,762)
General expenses and losses of the Company					(41,791)
Net profit before tax					<u>\$ 94,189</u>
<u>Segment assets</u>					

(Continued on next page)

(Continued from previous page)

2023 Interconnect Components Segment	2023				Total
	Interconnect Components Segment	Automotive Components Segment	Others	Adjustments and eliminations	
Identifiable assets	<u>\$ 1,385,790</u>	<u>\$ 1,695,237</u>	<u>\$ 3,377</u>	<u>\$ -</u>	\$ 3,084,404
Investments					47,388
Deferred income tax assets					69,643
General assets of the Company					<u>3,706</u>
Total assets					<u>\$ 3,205,141</u>

Inter-segment sales are set at market price.

Segment profit or loss represents the profit earned by each segment, excluding share of affiliates and joint ventures accounted for using the equity method, rental income, interest income, gain or loss on disposal of property, plant and equipment, net foreign exchange (gains) losses, gain or loss on valuation of financial instruments, finance costs, and income tax expense. This measurement is provided to the chief operating decision maker for the purpose of allocating resources to segments and evaluating their performance.

(III) Revenues from Major Products and Services:

Revenues from major products and services of the Consolidated Company's continuing operations are analyzed as follows:

	2024	2023
Interconnect components	<u>\$ 1,392,437</u>	<u>\$ 1,079,833</u>
Automotive components	<u>1,664,883</u>	<u>1,535,890</u>
Others	<u>26,100</u>	<u>32,298</u>
	<u>\$ 3,083,420</u>	<u>\$ 2,648,021</u>

(IV) Information by Region

The Consolidated Company mainly operated in three regions - Taiwan, China and the rest of the world

Information on revenues from external customers of the Consolidated Company's continuing operations by location of operations and non-current assets by location of assets is as follows:

	Revenues from external customers		Non-current assets	
	2024	2023	December 31, 2024	December 31, 2023
Taiwan	\$ 1,294,165	\$ 1,014,952	\$ 492,789	\$ 497,130
China	1,789,255	1,633,069	747,611	673,101
Others	-	-	218,121	48,457
	<u>\$ 3,083,420</u>	<u>\$ 2,648,021</u>	<u>\$ 1,458,521</u>	<u>\$ 1,218,688</u>

Non-current assets exclude financial instruments and deferred income tax assets.

(V) Information on Major Customers

Individual customers with revenues reaching 10% of the Consolidated Company's total revenues were as follows:

	2024	2023
Customer A (Note 1)	\$ 348,589	\$ 308,884
Customer B (Note 2)	332,750	289,725
Customer C (Note 1)	<u>NA (Note 3)</u>	<u>276,519</u>
	<u>\$ 681,339</u>	<u>\$ 875,128</u>

Note 1: Revenues of the Automotive Components Segment

Note 2: Revenues of the Interconnect Components Segment

Note 3: The amount of the revenues did not reach 10% of the Consolidated Company's total revenues.

WIESON TECHNOLOGIES CO., LTD. and Subsidiaries

Endorsement and guarantee for others:

2024

Table 1 Unit: In Thousands of NTD

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limit of endorsement and guarantee for a single enterprise	Maximum balance of endorsement and guarantee for the period	Balance of endorsement and guarantee at the end of the period	Actual amount drawn	Amount of endorsement and guarantee collateralized by properties	Ratio of accumulated amount of endorsement and guarantee to net worth in the most recent financial statements (%)	Maximum limit of endorsement and guarantee	Endorsement and guarantee by parent company for subsidiary	Endorsement and guarantee by subsidiary for parent company	Endorsement and guarantee for a firm in Mainland China
		Name of the firm	Relationship (Note 1)										
0	WIESON TECHNOLOGIES CO., LTD.	Wieson Technologies (Dongguan) Co., LTD.	(2)	\$ 274,370 (Note 2)	\$ 134,340	\$ 134,340	\$ 44,780	\$ -	9.79%	\$ 685,924 (Note 2)	Y	N	Y

Note 1: There are seven types of relationships between the endorser/guarantor and the endorsee/guarantee, which are as follows:

- (1) With a firm that has business dealings with the Company
- (2) With a firm in which the Company directly and indirectly holds more than 50% of the voting shares of the firm.
- (3) With a firm which directly and indirectly holds more than 50% of the voting shares of the Company.
- (4) Between firms in which the Company directly and indirectly holds more than 90% of the voting shares of the firms.
- (5) Between firms with mutual insurance of the trade or between joint proprietors as required by construction contracts.
- (6) Between firms that are endorsed and guaranteed by all contributing shareholders in proportion to their shareholdings due to joint investment.
- (7) Intra-trade endorsement and guarantee for the performance of pre-sale contracts in accordance with the Consumer Protection Act.

Note 2: The limit of endorsement and guarantee is set in accordance with the operating procedures for lending of funds and the operating procedures for endorsement and guarantee approved by the shareholders' meeting. The total amount of endorsement and guarantee shall not exceed 50% of the net worth in the Company's most recent financial statements audited or reviewed by CPAs, and the cumulative amount of endorsement and guarantee to a single enterprise shall not exceed 20% of the net worth in the Company's most recent financial statements audited or reviewed by CPAs

WIESON TECHNOLOGIES CO., LTD. and Subsidiaries

Marketable securities held at the end of the period

December 31, 2024

Table 2 Unit: In Thousands of NTD

Firm of the marketable securities held	Type and name of marketable securities	Relationship with the securities issuer	General Ledger Account in the financial statements	The end of the period				Remark
				Thousands of shares	Carrying amount	Shareholding %	Fair value	
WIESON TECHNOLOGIES CO., LTD. Wieson Technologies (Dongguan) Co., LTD.	<u>Stocks</u>							
	Asia Global Venture Capital II Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	132	\$ 2,558	3%	\$ 2,558	Note
	Asia Pacific Emerging Industry Management Co., Ltd.	"	"	702	6,370	2.2%	6,370	"
	Dongguan Zhongju Information Optoelectronics Co., Ltd.	"	"	-	<u>15,699</u>	8.45%	<u>15,699</u>	"
					<u>\$ 24,627</u>		<u>\$ 24,627</u>	

Note: For those measured at fair value, the carrying amount was the amount adjusted for fair value evaluation.

WIESON TECHNOLOGIES CO., LTD. and Subsidiaries
Acquisition of real estate amounting to at least NT\$300 million or 20% of the paid-in capital:
2024

Table 3

Unit: In Thousands of NTD

Firm that acquired real estate	Name of property	Date of factual occurrence	Transaction amount	Status of price payment	Trading partner	Relationship	Information on the previous transaction if the trading partner is a related party				Reference basis for price determination	Purpose of acquisition and status of use	Other agreed terms
							All parties	Relationship with the issuer	Transfer date	Amount			
Wieson Technologies (Dongguan) Co., LTD.	Hexi Industrial Zone, Hongmei Town, Dongguan City (GTIP A8)	2024.6.27	\$ 221,004 (RMB 50,400 thousand)	Payment made based on progress of construction in accordance with contractual terms	Donnguan Shuixiang GTIP Campus 1 C&D Co., Ltd.	The chairperson of this firm is the same person as the Chairperson of the Company.	-	-	-	\$ -	Appraisal report issued by HB Real Estate Appraisal Firm	To meet the overall plan for the plant relocation needs of the Company	None
WIESON TECHNOLOGIES (VIETNAM) CO. LTD	Industrial Zone No. 05, Guangling Community, Enshi County, Thanh An Province	2024.6.27	168,543 (VND 130,588,000 thousand)	Payment made based on progress of construction in accordance with contractual terms	Vilai Viet Construction JSC	-	-	-	-	-	-	Construct a plant building to expand production capacity	None

Note 1: If the acquired asset is legally required to be appraised, the appraisal results should be indicated in the field headed “Reference basis for price determination”.

Note 2: The paid-in capital refers to the parent company's paid-in capital. If the issuer's stock has no face value or the face value is not NT\$10 per share, the disclosure threshold, which is originally set at 20% of the paid-in capital, is replaced by 10% of the equity attributable to the owners of the parent company in the statement of financial position

Note 3: The date of factual occurrence refers to the earlier of the transaction signing date, payment date, closing date, ownership transfer date, board resolution date, or any other date sufficient to determine the trading partner and the transaction amount.

WIESON TECHNOLOGIES CO., LTD. and Subsidiaries

Purchase or sale of goods with related parties amounting to at least NT\$100 million or 20% of the paid-in capital:

2024

Table 4 Unit: In Thousands of NTD

Purchasing (Selling) firm	Name of trading partner	Relationship	Transaction details				The circumstance and reason why the trading term is different from that of ordinary transactions		Notes and accounts receivable (payable)		Remark
			Purchases (Sales)	Amount	As a percentage of total purchases (sales) %	Credit period	Unit price	Credit period	Balance	As a percentage of total notes and accounts receivable (payable) %	
WIESON TECHNOLOG IES CO., LTD.	Wieson Technologies (Dongguan) Co., LTD.	An investee 100% owned by Wieson International Investment LTD - Cayman Islands	Purchases	\$ 937,755	89.70	Within 120 days from the monthly cut-off day	In mutual agreement	Within 120 days from the monthly cut-off day	Accounts payable \$ 273,659	85.93	Note

Note: The above transactions were eliminated in the preparation of the consolidated financial statements.

WIESON TECHNOLOGIES CO., LTD. and Subsidiaries

Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital:

December 31, 2024

Table 5 Unit: In Thousands of NTD

The firm that recorded the transaction as accounts receivable	Trading partner	Relationship	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Amount of receivables from related parties collected in the subsequent period	Provision of allowance for loss
					Amount	Disposition		
Wieson Technologies (Dongguan) Co., LTD.	WIESON TECHNOLOGIES CO., LTD.	The ultimate parent company	\$ 273,659	4.02	\$ -	-	\$ 163,325	\$ -

Note: The above transactions were eliminated in the preparation of the consolidated financial statements.

WIESON TECHNOLOGIES CO., LTD. and Subsidiaries

Information on investees, locations, etc.

2024

Table 6 Unit: In Thousands of NTD

Name of investor	Name of investee	Location	Main business activities	Original investment amount		Holding at the end of the period			Profit or loss of the investee for the period	Investment gain or loss recognized in the period	Remark
				End of the period	End of the year	Number of shares (in thousands of shares)	Percentage %	Carrying amount			
WIESON TECHNOLOGIES CO., LTD.	Wieson International Investment LTD - Cayman Islands	British Cayman Islands	Engagement in overseas investment and trading business	\$ 389,324 (HKD 92,976 thousand)	\$ 314,827 (HKD 75,053 thousand)	92,976	100.00	\$ 359,363	\$ 10,388	\$ 10,698	Note 1
	Jiebao Electronics LTD. - Cayman Islands	British Cayman Islands	"	198,895 (USD 5,850 thousand)	198,895 (USD 5,850 thousand)	6,450	100.00	963,538	141,170	141,244	Note 2
	WIESON OVERSEA HOLDING CO., LTD.	Samoa	"	1,801 (USD 66 thousand)	1,801 (USD 66 thousand)	66	100.00	24,792	4,693	4,693	
	WIESON TECHNOLOGIES (VIETNAM) CO. LTD	Vietnam	Manufacturing and processing of electronic connectors and plug & socket cable assemblies	340,567 (USD 10,500 thousand)	129,025 (USD 4,000 thousand)	-	100.00	334,229	(2,656)	(2,685)	Note 3
Wieson International Investment LTD - Cayman Islands	Wieson Technologies (Dongguan) Co., LTD.	Dongguan	Manufacturing and processing of electronic connectors and plug & socket cable assemblies	367,610 (HKD 87,000 thousand)	293,113 (HKD 69,077 thousand)	-	100.00	361,769	10,440	10,440	
Jiebao Electronics LTD. - Cayman Islands	Wieson Automotive Co., LTD. (Jiangsu)	Kunshan	Manufacturing and sales of automotive connectors, plugs, computer connectors and automotive electronics.	199,349 (USD 6,040 thousand)	199,349 (USD 6,040 thousand)	104,905	87.26	963,197	167,318	146,002	
Wieson Automotive Co., LTD. (Jiangsu)	Wieson Automotive (Taiwan) Co., LTD.	Taiwan	Wholesale and retail sales of automotive and motorcycle parts and accessories	23,940 (RMB 5,584 thousand)	23,940 (RMB 5,584 thousand)	2,394	100.00	12,689	3,022	3,022	
WIESON OVERSEA HOLDING CO., LTD.	WIESON AMERICA, INC.	U.S.A.	Development of electronic connectors and computer I/O peripherals.	22,754 (USD 670 thousand)	22,754 (USD 670 thousand)	33	100.00	24,220	4,732	4,732	

Note 1: This was the net result of subtracting \$4,652 thousand of unrealized gross profits on sales from upstream transactions as of the end of the period and adding \$117,000 thousand of unrealized gross profits on sales from upstream transactions as of the beginning of the period.

Note 2: This was the net result of subtracting \$43 thousand of unrealized gross profits on sales from upstream transactions as of the end of the period and adding \$117 thousand of unrealized gross profits on sales from upstream transactions as of the beginning of the period.

Note 3: This was the net result of subtracting \$29 thousand of unrealized gross profits on sales of property, plant and equipment as of the end of the period.

WIESON TECHNOLOGIES CO., LTD. and Subsidiaries

Information on Investment in Mainland China

2024

Table 7 Unit: In Thousands of NTD

1. Name of investee in Mainland China, main business activities, paid-in capital, investment method, information on inflow or outflow of capital, shareholding percentage, investment gain or loss, carrying amount, and investment gain repatriated.

Name of investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated investment amount remitted from Taiwan at the beginning of the period	Investment amount remitted or repatriated in the period		Accumulated investment amount remitted from Taiwan at the end of the period	Profit or loss of the investee for the period	Shareholding percentage of the Company's direct or indirect investment	Investment gain or loss recognized in the period (Note 2)	Carrying amount of investment at the end of the period	Investment gain repatriated as of the end of the period
					Remittance from Taiwan	Repatriation back to Taiwan						
Wieson Technologies (Dongguan) Co., LTD.	Manufacturing and processing of electronic connectors and plug & socket cable assemblies	\$ 422,821 (HKD 100,000 thousand)	(2)	\$ 293,113 (HKD 69,077 thousand)	\$ 74,497 (HKD 17,923 thousand)	\$ -	\$ 367,610 (HKD 87,000 thousand)	\$ 10,440	100.00	\$ 10,440 (2)	\$ 361,769	\$ -
Wieson Automotive Co., LTD. (Jiangsu)	Manufacturing and sales of automotive connectors, plugs, computer connectors and automotive electronics.	561,256 (RMB 120,226 thousand)	(2)	182,452 (USD 5,350 thousand)	-	-	182,452 (USD 5,350 thousand)	167,318	87.26	146,002 (2)	963,197	83,504

2. Limit of investment in Mainland China

Accumulated investment amount remitted from Taiwan to Mainland China at the end of the period	Investment amount approved by Investment Commission, MOEA	Limit of investment in Mainland China as stipulated by the Investment Commission, MOEA
\$ 635,587	\$ 980,297 (USD 31,010 thousand)	\$ - (Note 3)

Note 1: The investment methods include the following three types:

- (1) Invest in Mainland China directly.
- (2) Invest in Mainland China through an enterprise in a third region. (Please refer to Table 5 for the enterprise in a third region)
- (3) Other types

Note 2: In the field headed "Investment gain or loss recognized in the period", the basis of recognition for investment gain or loss include the following three ways:

- (1) The financial statements audited and attested by an international CPA firm with which CPA firms in the ROC has a cooperative relationship.

(2) The financial statements audited and attested by the attesting CPAs of the parent company in Taiwan.

(3) Other ways

Note 3: In accordance with the newly revised provisions of the “Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China” dated August 29, 2008, the Company is not required to set a limit on its investment because it has obtained the Letter of Certification for Business Scope of Headquarters issued by the Industrial Development Bureau, MOEA.

3. Significant transactions with investees in Mainland China directly or indirectly through an enterprise in a third region:

Name of Related Party	Relationship between the Company and the related party	Transaction type	Amount	As a percentage of total purchases (sales) %	Trading terms			Notes and accounts receivable (payable)		Unrealized profits
					Price	Payment terms	Comparison with general transactions	Balance	Percentage (%)	
Wieson Technologies (Dongguan) Co., LTD.	An investee 100% owned by Wieson International Investment LTD - Cayman Islands	Purchases	\$ 937,755	89.7	No significant difference from those with general customers	Within 120 days from the monthly cut-off day	No significant difference	Accounts payable \$ 273,659	85.93	\$ 4,652

4. Endorsement, guarantee, or provision of collaterals directly or indirectly through an enterprise in a third region with an investee in Mainland China: Please refer to Table 1.

5. Provision of financial accommodation directly or indirectly through an enterprise in a third region with an investee in Mainland China: None.

WIESON TECHNOLOGIES CO., LTD. and Subsidiaries

Business relationships and significant intercompany transactions between the parent company and subsidiaries and between subsidiaries and the amounts involved:

2024

Table 8 Unit: In Thousands of NTD

No. (Note 1)	Name of trader	Trading partner	Relationship with the trader (Note 2)	Transaction details			
				General Ledger Account	Amount	Trading terms	As a percentage of consolidated total revenues or total assets (Note 3)
0	WIESON TECHNOLOGIES CO., LTD.	Wieson Technologies (Dongguan) Co., LTD.	1	Purchases	\$ 937,755	Priced at standard production cost plus 15%	30.41%
		"	1	Accounts payable	273,659	No significant difference from those of general unrelated parties	7.19%
		WIESON AMERICA, INC.	1	Business development expenses	34,062	"	1.10%

Note 1: Information on intercompany transactions between the parent company and subsidiaries should be indicated in the field respectively, and the number to be filled shall be as follows.

(1) Fill in "0" for parent company.

(2) Subsidiaries are numbered entity by entity, starting from Arabic number 1.

Note 2: There are three types of relationship with the trader, which are as follows. Please indicate the type of relationship:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: The percentage of intercompany transaction amount to consolidated total revenues or total assets is calculated as the ending balance to consolidated total assets in the case of assets and liabilities, or as the cumulative amount for the period to consolidated total revenues in the case of profit or loss.

Note 4: The Company may decide whether or not to disclose certain intercompany transactions in this Table based on the principle of materiality.

Note 5: The above transactions were eliminated in the preparation of the consolidated financial statements.