Stock Code:6120

DARWIN PRECISIONS CORPORATION AND SUBSIDIARIES

Consolidated Financial Statements and Independent Auditors' Report

For the Years Ended December 31, 2024 and 2023

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Representation Letter

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

Company name: Darwin Precisions Corporation
Chairman: Kuo-Hsin Tsai
Date: February 11, 2025

Independent Auditors' Report

To the Board of Directors of Darwin Precisions Corporation:

Opinion

We have audited the consolidated financial statements of Darwin Precisions Corporation("the Company") and its subsidiaries (together referred to as"the Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

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

Basis for Opinion

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

Key Audit Matters

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

1. Revenue recognition

   Refer to Note 4(14) "Revenue from contracts with customers" and Note 6(17) "Revenue from Contrasts with Customers" to the consolidated financial statements.

Description of key audit matter:

Revenue is recognized when the control over a product has been transferred to the customer as specified in each individual contract with customers. The Group recognizes revenue depending on the various sales terms in each individual contract with customers to ensure the performance obligation has been satisfied by transferring control over a product to a customer. Therefore, revenue recognition is one of the key areas our audit focused on.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures include ensuring the transaction conditions and revenue of the sale contracts have been properly recorded; random sampling of sales transactions within a certain period before and after the financial reporting date; verifying invoices and forms to confirm that revenue recognition has been recorded in an appropriate period.

2. Sale of Equipment and Equity Investment Transactions and Fair Value Evaluation of Financial Assets

For accounting policies related to the fair value evaluation of financial assets and the disposal of real estate, plant, and equipment, please refer to Note 4(7) and Note 4(10) of the consolidated financial statements. For uncertainties in the estimates and assumptions of the fair value evaluation of financial assets, please refer to Note 5 of the consolidated financial statements. For explanations on the disposal of real estate, plant, and equipment, please refer to Note 6(7) of the consolidated financial statements.

To meet operational planning needs, the Group sold a batch of equipment used in production lines to a third party to improve operational efficiency. Additionally, it decided to participate in the cash capital increase of the buyer's parent company. The Group completed the equipment delivery and equity investment transaction in October 2024. Since the aforementioned transaction is a related party transaction and involves complex accounting treatment, if the sale price of the equipment does not reflect the fair value of the transaction, it will result in incorrect recording of the sale transaction, affecting the balance of assets sold and the amount of gain or loss on disposal in the financial statements. The fair value evaluation of the financial assets generated from the equity investment transaction is a highly uncertain accounting estimate. Therefore, the auditor has identified the aforementioned transaction as a key audit matter for the current year.

How the matter was addressed in our audit:

In relation to key audit matter above, our principal audit procedures include reviewing the signed equipment sale contract and equity investment transaction agreement and evaluating the appropriateness of their accounting treatment based on the contract terms.

Reviewing the board meeting minutes to confirm whether the asset disposal proposal has been properly evaluated and approved.

Obtaining proof of equipment delivery and acceptance by the buyer, and verifying the transaction records and payment receipts for the sale of equipment.

Reviewing the remittance proof for the cash capital increase participation.

Examining the basis and reasonableness of the fair value evaluation of financial assets (equity) and verifying the accuracy of the gain or loss on disposal and its recognition at the correct time.

Other Matter

The Company has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified audit opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Chen, Yen-Hui and Kuo, Shyh-Huar.

KPMG

Taipei, Taiwan (Republic of China)
February 11, 2025

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

DARWIN PRECISIONS CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current assets:				
1100	Cash and cash equivalents (Note 6(1))	$ 5,871,695	33	5,332,533	29
1110	Financial assets at fair value through profit or loss–current (Note 6(2))	7,304	-	11,864	-
1136	Financial assets at amortized cost－current (Note 6(2))	469,685	3	562,333	3
1150	Notes receivable (Note 6(3))	5	-	-	-
1170	Accounts receivable (Note 6(3))	1,576,361	9	2,323,443	13
1180	Accounts receivable from related parties (Notes 6(3) and 7)	1,729,557	9	1,720,598	9
1200	Other receivables (Note 6(4))	43,896	-	29,290	-
1210	Other receivables from related parties (Notes 6(4) and 7)	31,679	-	475	-
1310	Inventories (Note 6(5))	1,271,819	7	1,318,803	7
1476	Other financial assets–current (Note 8)	327,170	2	307,180	2
1479	Other current assets (Note 6(9))	102,691	1	81,639	1
		11,431,862	64	11,688,158	64
	Noncurrent assets:				
1517	Financial assets at fair value through other comprehensive income – noncurrent (Note 6(2))	492,982	3	58,331	-
1535	Financial assets at amortized cost－noncurrent (Note 6(2))	568,848	3	356,567	2
1550	Investments in equity-accounted investees (Note 6(6))	59,761	-	49,138	-
1600	Property, plant and equipment (Notes 6(7),7 and 8)	4,711,712	26	5,028,776	28
1755	Right-of-use assets (Notes 6(8) and 8)	193,496	1	196,767	1
1840	Deferred tax assets (Note 6(13))	448,255	3	456,009	3
1915	Prepayments for business facilities	1,968	-	3,726	-
1980	Other financial assets–noncurrent (Note 8)	85,744	-	387,560	2
1995	Other noncurrent assets	-	-	363	-
		6,562,766	36	6,537,237	36
	Total assets	$ 17,994,628	100	18,225,395	100

	Liabilities and Equity	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current liabilities:				
2130	Contract liabilities–current (Notes 6(17) and 7)	$ 14,715	-	11,774	-
2170	Accounts payable	3,837,550	21	3,531,586	19
2180	Accounts payable to related parties(Note 7)	126,633	1	146,128	1
2200	Other payables	1,095,762	6	1,116,924	6
2220	Other payables to related parties(Note 7)	18,051	-	18,104	-
2230	Current tax liabilities	181,866	1	119,820	1
2250	Provisions–current(Note 6(12))	52,569	-	45,092	-
2320	Long-term borrowings, current portion (Notes 6(11) and 8)	525,072	3	907,211	5
2399	Other current liabilities(Notes 6(10) and 7)	125,712	1	70,200	-
		5,977,930	33	5,966,839	32
	Noncurrent liabilities:				
2540	Long-term borrowings (Notes 6(11) and 8)	1,221,307	7	2,021,392	11
2550	Provisions-noncurrent (Note 6(12))	41,891	-	15,210	-
2570	Deferred tax liabilities (Note 6(13))	1,024,256	6	905,013	5
2600	Other noncurrent liabilities	114,108	1	95,170	1
		2,401,562	14	3,036,785	17
	Total liabilities	8,379,492	47	9,003,624	49
	Equity attributable to owners of parent (Notes 6(2) and (15)):				
3100	Common stock	6,655,551	37	6,655,551	37
3200	Capital surplus	2,770,911	15	2,837,442	16
3300	Retained earnings	1,131,974	6	944,953	5
3400	Other components of equity	(943,300)	(5)	(1,216,175)	(7)
	Total equity	9,615,136	53	9,221,771	51
	Total liabilities and equity	$ 17,994,628	100	18,225,395	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

DARWIN PRECISIONS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

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

		2024		2023	
		Amount	%	Amount	%
4000	**Operating revenue** (Notes 6(17) and 7)	$ 20,872,571	100	17,769,982	100
5000	**Operating costs** (Notes 6(5), (13) , (18)and 7)	19,806,768	95	16,917,772	95
	Gross profit from operations	1,065,803	5	852,210	5
6000	**Operating expenses** (Notes 6(3), (13), (18) and 7)**:**				
6100	Selling expenses	171,198	1	178,879	1
6200	Administrative expenses	643,784	3	599,406	3
6300	Research and development expenses	398,476	2	351,346	2
		1,213,458	6	1,129,631	6
	Loss from Operations	(147,655)	(1)	(277,421)	(1)
7000	**Non-operating income and expenses:**				
7100	Interest income (Note 6(19))	196,372	1	203,873	1
7010	Other income (Notes 6(19) and 7)	162,698	1	115,821	-
7020	Other gains and losses (Note 6(19))	312,970	1	(8,022)	-
7050	Finance costs (Note 6(19))	(39,710)	-	(57,204)	-
7370	Share of profit (losses) of associates and joint ventures accounted for using the equity method, net (Note 6(6))	(6,559)	-	818	-
		625,771	3	255,286	1
7900	**Profit (loss) before income tax**	478,116	2	(22,135)	-
7950	Less: Income tax expenses (benefit) (Note 6(14))	291,095	1	(136,794)	(1)
8200	Profit for the period	187,021	1	114,659	1
	Other comprehensive income:				
8310	**Items that will not be reclassified subsequently to profit or loss**				
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income(Note 6(2))	70,036	-	13,830	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	253,549	1	(165,691)	(1)
8399	Income tax related to items that may be reclassified subsequently (Note 6(14))	(50,710)	-	33,145	-
	Total items that may be reclassified subsequently to profit or loss	202,839	1	(132,546)	(1)
8300	**Other comprehensive income (loss), net of tax**	272,875	1	(118,716)	(1)
8500	**Total comprehensive income (loss) for the year**	**$ 459,896**	**2**	**(4,057)**	**-**
	Earnings per share (NT dollars) (Note 6(16))				
9750	Basic earnings per share	**$**	**0.28**		**0.17**
9850	Diluted earnings per share	**$**	**0.28**		**0.17**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

DARWIN PRECISIONS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent									
							Other components of equity			
	Share capital		Retained earnings							
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Total equity
Balance at January 1, 2023	$ 6,655,551	2,837,438	-	795,270	125,664	920,934	(1,083,629)	(2,500)	(1,086,129)	9,327,794
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	12,566	-	(12,566)	-	-	-	-	-
Special reserve	-	-	-	11,128	(11,128)	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	-	(101,970)	(101,970)	-	-	-	(101,970)
	-		12,566	11,128	(125,664)	(101,970)	-	-	-	(101,970)
Profit for the year	-	-	-	-	114,659	114,659	-	-	-	114,659
Other comprehensive income (loss) for the year	-	-	-	-	-	-	(132,546)	13,830	(118,716)	(118,716)
Total comprehensive income (loss) for the year	-	-	-	-	114,659	114,659	(132,546)	13,830	(118,716)	(4,057)
Changes in equity of associates accounted for using equity method	-	4	-	-	-	-	-	-	-	4
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	11,330	11,330	-	(11,330)	(11,330)	-
Balance at December 31, 2023	**$ 6,655,551**	**2,837,442**	**12,566**	**806,398**	**125,989**	**944,953**	**(1,216,175)**	**-**	**(1,216,175)**	**9,221,771**
Balance at January 1,2024	$ 6,655,551	2,837,442	12,566	806,398	125,989	944,953	(1,216,175)	-	(1,216,175)	9,221,771
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	12,599	-	(12,599)	-	-	-	-	-
Special reserve	-	-	-	113,390	(113,390)	-	-	-	-	-
	-	-	12,599	113,390	(125,989)	-	-	-	-	-
Profit for the year	-	-	-	-	187,021	187,021	-	-	-	187,021
Other comprehensive income for the year	-	-	-	-	-	-	202,839	70,036	272,875	272,875
Total comprehensive income for the year	-	-	-	-	187,021	187,021	202,839	70,036	272,875	459,896
Changes in equity of associates accounted for using equity method	-	24	-	-	-	-	-	-	-	24
Cash dividends from capital surplus	-	(66,555)	-	-	-	-	-	-	-	(66,555)
Balance at December 31, 2024	**$ 6,655,551**	**2,770,911**	**25,165**	**919,788**	**187,021**	**1,131,974**	**(1,013,336)**	**70,036**	**(943,300)**	**9,615,136**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

DARWIN PRECISIONS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		2024	2023
Cash flows from operating activities:			
Loss (profit) before income tax	$	478,116	(22,135)
Adjustments:			
Adjustments to reconcile profit :			
Depreciation expense		896,687	925,915
Expected credit (profit) loss		(1,402)	4,507
Net (profit) loss on financial instruments at fair value through profit or loss		(29,881)	16,704
Interest expense		39,710	57,204
Interest income		(196,372)	(203,873)
Dividend income		(351)	(178)
Share of (gain) loss of associates and joint ventures accounted for using equity method		6,559	(818)
Gains on disposal of investment		-	(41,567)
Property, plant and equipment transferred to expense		-	343
Gains on disposal of property, plant and equipment, net		(232,348)	(8,964)
Total adjustments to reconcile profit		482,602	749,273
Changes in operating assets and liabilities:			
Changes in operating assets:			
Decrease (increase) in financial assets at fair value through profit or loss		34,441	(18,816)
Increase in notes receivable		(5)	-
Decrease (increase) in accounts receivable		748,961	(1,302,590)
Increase in accounts receivable from related parties		(8,959)	(315,871)
Increase in other receivables		(15,139)	(1,043)
(Increase) decrease in other receivables from related parties		(31,204)	82
Increase in inventories		(20,770)	(339,481)
(Increase) decrease in prepayments		(10,608)	6,012
Increase in other current assets		(3,876)	(4,889)
Decrease in other noncurrent assets		363	2,138
Total changes in operating assets		693,204	(1,974,458)
Changes in operating liabilities:			
Increase in accounts payable		305,964	1,436,356
Decrease (increase) in accounts payable to related parties		(19,495)	52,015
Increase in other payables		546	77,542
Increase in other payable to related parties		508	2,553
Increase (decrease) in provisions		33,218	(2,778)
Increase (decrease) in other current liabilities		55,581	(9,541)
Increase in other noncurrent liabilities		6,409	7,308
Total changes in operating liabilities		382,731	1,563,455
Total changes in operating assets and liabilities		1,075,935	(411,003)
Total adjustments		1,558,537	338,270

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

DARWIN PRECISIONS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows (Continued)

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash generated from operations	2,036,653	316,135
Interest received	172,967	196,904
Dividends received	351	178
Interest paid	(41,036)	(56,908)
Income taxes paid	(151,826)	(138,501)
Net cash provided by operating activities	2,017,109	317,808
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(419,268)	-
Acquisition of financial assets at amortized cost	(651,818)	(532,470)
Proceeds from disposal of financial assets at amortized cost	587,665	767,634
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	53,762
Acquisition of investments accounted for using equity method	(16,331)	(36,720)
Acquisition of property, plant and equipment	(474,429)	(381,149)
Proceeds from disposal of property, plant and equipment	348,794	22,974
Increase in refundable deposits	(367)	(304)
Decrease in other receivables	-	2,231,952
Decrease in other financial assets	321,034	234,905
Increase in prepayments for business facilities	(11,084)	(36,303)
Net cash (used in) provided by investing activities	(315,804)	2,324,281
Cash flows from financing activities:		
Proceeds from long-term borrowings	910,000	3,001,000
Repayments of long-term borrowings	(2,146,336)	(4,156,191)
Increase (decrease) in guarantee deposits received	12,529	(923)
Cash dividends paid	(66,555)	(101,970)
Net cash used in financing activities	(1,290,362)	(1,258,084)
Effect of exchange rate changes on cash and cash equivalents	128,219	(109,794)
Net increase in cash and cash equivalents	539,162	1,274,211
Cash and cash equivalents at January 1	5,332,533	4,058,322
Cash and cash equivalents at December 31	$ **5,871,695**	**5,332,533**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

DARWIN PRECISIONS CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

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

1. Company history

Forhouse Corporation ("Forhouse") was incorporated on October 13,1989 approved by the Ministry of Economic Affairs. It mainly engaged in designing, manufacturing, assembling, processing and trading of backlight modules, computer peripherals, and communication equipments.

BriView Corp. ("BriView") was approved to establish on September 8, 2008. It mainly engaged in designing, manufacturing and sales of LCD modules, backlight modules, LCD TVs and related components.

In order to integrate the overall resources and expand the scale of business and enhance operational performance and competitiveness, Forhouse merged with BriView on October 1, 2014 in accordance with the "Business Mergers and Acquisitions Act". After merger, Forhouse was legally the surviving company and BriView was the dissolved company. Forhouse was then changed to Darwin Precisions Corp. ("the Company") with the approval of the Ministry of Economic Affairs. The Company's registered address is No.20-1, Guangfu North Rd., Hukou Township, Hsinchu County, Taiwan (R.O.C).

The Company and its subsidiaries ("the Group") mainly engaged in designing, manufacturing and sales of LCD modules, backlight modules, LCD TVs and related components.

2. Approval date and procedure of the consolidated financial statements:

These consolidated financial statements were authorized for issue by the Board of Directors on February 11, 2025.

3. New standards, amendments and interpretations adopted:

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

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

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

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

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

- Amendments to IAS21 "Lack of Exchangeability"

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DARWIN PRECISIONS CORPORATION AND SUBSIDIARIES
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(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

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

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and a single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: Under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and requiring for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): The new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and how it is reconciled to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: The new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information should be included in the primary financial statements or further disaggregated in the notes.	January 1, 2027

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

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

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

4. Summary of material accounting policies:

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

(1) **Statement of compliance**

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

(2) **Basis of preparation**

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

1) Financial instruments at fair value through profit or loss are measured at fair value;

2) Financial assets at fair value through other comprehensive income are measured at fair value;

(ii) Functional and presentation currency

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

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(3) **Basis of consolidation**

(i) Principles of preparation of the consolidated financial statements

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

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the equity.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) List of subsidiaries in the consolidated financial statements

			Shareholding	
Name of investor	**Name of subsidiary**	**Principal activity**	**December 31, 2024**	**December 31, 2023**
The Company	Darwin Precisions (L) Corp. (DPLB)	Holding Company	100 %	100 %
"	Forhouse International Holding Ltd. (FHVI)	"	100 %	100 %
"	Forefront Corporation (FFMI)	"	100 %	100 %
"	UFO Touch Technology Corporation (DPUT)	Manufacturing and sales of electronics components, computer and peripheral equipment	100 %	- %
"	MicroDoctor Biomedical Corporation (DPMB)	Wholesale and retail sale of cosmetics	100 %	- %
"	OneSmart Solution Corporation (DPOS)	Services of information software, data processing and electronic information supply	100 %	- %
DPLB	Darwin Precisions (Hong Kong) Limited (DPHK)	Holding Company	100 %	100 %
DPHK	Darwin Precisions (Xiamen) Corp. (DPXM)	Manufacturing and sales of liquid crystal products、backlight modules and related parts	100 %	100 %
FHVI	Fortech International Corp.(FTMI)	Holding Company	100 %	100 %
"	Forward Optronics International Corporation (FWSA)	"	100 %	100 %
FFMI	Forhouse Electronics (Suzhou) Co., Ltd. (FHWJ)	Manufacturing and sales of backlight modules and related parts	100 %	100 %
FTMI	Fortech Electronics (Suzhou) Co., Ltd. (FTWJ)	"	100 %	100 %
FTMI and FWSA	Suzhou Forplax Optronics Co., Ltd.(FPWJ)	Manufacturing, sales and trading of precision plastic parts	100 %	100 %

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Note 1：DPUT and DPMB were established in June 2024.

Note 2：DPOS was established in August 2024.

(iii) Subsidiaries excluded from the consolidated financial statements: None.

(4) **Foreign currencies**

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

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

1) An investment in equity securities designated as at fair value through other comprehensive income;

2) A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

3) Qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

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

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

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

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

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

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7), unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(6) **Cash and cash equivalents**

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

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DARWIN PRECISIONS CORPORATION AND SUBSIDIARIES
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(7) **Financial instruments**

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

1. Financial assets

1) Classification of Financial Assets

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

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

a) Financial assets measured at amortized cost

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

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

b) Fair value through other comprehensive income (FVOCI)

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

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

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

c) Fair value through profit or loss (FVTPL)

All financial assets not classified as at amortized cost or at fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes all derivative financial assets.

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

2) Impairment of financial assets

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

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

· debt securities that are determined to have low credit risk at the reporting date; and

· other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due.

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

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

(Continued)

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

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

· significant financial difficulty of the borrower or issuer;

· a breach of contract such as a default or being more than one year past due;

· the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

· it is probable that the borrower will enter bankruptcy or other financial reorganization; or

· the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

3) Derecognition of financial assets

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

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

2. Financial liabilities and equity instruments

1) Classification of debt or equity

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

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2) Equity instrument

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

3) Financial liabilities

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

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

4) Derecognition of financial liabilities

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

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

5) Offsetting of financial assets and liabilities

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

(8) **Inventories**

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

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

(9) **Investment in associates**

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Group' s share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual proportionate share.

Unearned gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate.

When the Group's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Group accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss when the equity method is discontinued. If the Group's ownership interest in an associate is reduced while it continues to apply the equity method, the Group reclassifies the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest to profit or loss.

When the Group subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Group's proportionate interest in the net assets of the associate. The Group records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Group's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(10) **Property, plant and equipment**

(i) Recognition and measurement

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

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

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

(ii) Subsequent expenditure

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

(iii) Depreciation

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

Land is not depreciated.

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

1) Buildings 3~50 years

2) Machinery and equipment 1~10 years

3) Other equipment 1~20 years

4) The major components of houses, buildings, machinery and equipment, and their useful lives are as follows：

Compose item	Useful Lives	Compose item	Useful Lives
Buildings:		Machinery and equipment:	
Main building	20~50 years	Injection machine and polishing machine	1~10 years
Piping and fire engineering	5~21 years	Dehumidification drying and feeding system	2~10 years
Plant construction project	10~20 years	Light guide plate polishing machine	2~10 years
Compartment engineering	5 years	Other	1~10 years
Other	3 years		

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

(11) **Leases**

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

(i) As a lessee

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

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

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

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

1) fixed payments, including in-substance fixed payments;

2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

3) amounts expected to be payable under a residual value guarantee; and

4) payments for purchase or termination options that are reasonably certain to be exercised.

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

1) there is a change in future lease payments arising from the change in an index or rate; or

2) there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or

3) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset; or

4) there is a change of its assessment on whether it will exercise an extension or termination option; or

5) there is any lease modification.

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

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

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

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of staff dormitory that have a lease term of 12 months or less and leases of low-value assets, including sporadic lease. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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(ii) As a lessor

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

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

(12) **Impairment of nonfinancial assets**

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, deferred tax assets and investment properties and biological assets, measured at fair value, less costs) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units（CGUs）.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

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

(13) **Provisions**

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(Continued)

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(14) **Revenue**

(i) Revenue from contracts with customers

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

1) Sale of goods

The Group manufactures and sells backlight modules and LCD optoelectronic products and related components. The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The Group's obligation to provide a refund for backlight module and LCD optoelectronic products under the standard warranty terms is recognized as a provision for warranty; please refer to Note 6(12).

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

2) Financing components

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

(ii) Contract costs

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Group recognizes an asset from the costs incurred to fulfill a contract only if those costs meet all of the following criteria:

a) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;

b) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(Continued)

c) the costs are expected to be recovered.

For general and administrative costs, costs of wasted materials, labor or other resources to fulfill the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Group cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations(or partially satisfied performance obligations), the Group recognizes these costs as expenses when incurred.

(15) **Government grants**

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

(16) **Employee benefits**

(i) Defined contribution plans

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

(ii) Short-term employee benefits

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

(17) **Income taxes**

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

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

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

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

(i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intends to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(18) **Earnings per share**

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

(Continued)

(19) **Operating segments**

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

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

In preparing these consolidated financial statements in conformity with the Regulations and the IFRSs endorsed by the FSC requires, management has made judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows：

Fair Value Assessment of Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)

When the fair value of Level 3 financial assets recognized on the balance sheet cannot be obtained from an active market, the fair value is primarily determined using market-based valuation techniques. Fair value assessment involves significant judgments, such as the selection of comparable companies or equity transaction prices, and various assumptions, such as liquidity discounts and valuation multiples. Changes in the assumptions used in these valuation techniques will affect the reported fair value of financial instruments.

6. Explanation of significant accounts:

(1) **Cash and cash equivalents**

	December 31, 2024	December 31, 2023
Demand deposits	$ 3,562,486	1,657,376
Time deposits	2,309,209	3,675,157
	$ 5,871,695	**5,332,533**

Please refer to Note 6(21) for the credit risk, exchange rate risk, interest rate risk and sensitivity analysis of the financial assets and liabilities of the Group.

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(2) **Financial assets**

(i) Financial assets at fair value through profit or loss

	December 31, 2024	December 31, 2023
Mandatorily measured at fair value through profit or loss：		
Derivative instruments not used for hedging－Forward exchange contracts	$ 7,304	11,864

The Group uses derivative financial instruments to manage the exposure to foreign exchange risk arising from operating activities. The following derivative financial instruments, without the application of hedge accounting in the December 31, 2024 and 2023, were classified as financial assets at fair value through profit or loss:

Forward exchange contracts:

	December 31, 2024		
	Amount (in thousands)	Currency	Maturity date
Forward exchange sold	USD 31,500	USD to CNY	2025.1.14~2025.3.14

	December 31, 2023		
	Amount (in thousands)	Currency	Maturity date
Forward exchange sold	USD 34,000	USD to CNY	2024.1.12~2024.3.25

(ii) Financial assets at fair value through other comprehensive income－noncurrent

	December 31, 2024	December 31, 2023
Equity investments at fair value through other comprehensive income：		
Non-listed common shares		
Domestic Company	$ 130,438	47,617
Foreign Company	362,544	10,714
	$ 492,982	58,331

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

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On March 1, 2024, the Group's board of directors resolved to directly participate in the cash capital increase of Chengdu Topway High-Tech Photoelectric Technology Co., Ltd., with an investment amount of CNY 85,000 thousand, acquiring a 9.06% equity stake. For details, please refer to Note 6(7)4. In November 2024, the company conducted another cash capital increase, which was fully subscribed by a third-party company, reducing the Group's equity stake to 8.96%.

Due to the above-mentioned equity instrument investments designated as measured at fair value through other comprehensive income (FVOCI), the Group recognized dividend income of $351 thousand and $178 thousand in 2024 and 2023, respectively.

In 2024 and 2023, the Group recognized an unrealized gains from investment in equity instrument measured at fair value through other comprehensive income of $70,036 thousand and $13,830 thousand, respectively.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments in Year 2024.

In May 2023, the Group sold its financial assets at fair value through other comprehensive income. The financial assets sold had a fair value of $53,762 thousand and the Group realized a gain of $11,330 thousand, which is already included in other comprehensive income. The gain has been transferred to retained earnings.

For credit risk and market risk, please refer to Note 6(21).

As of December 31, 2024 and 2023, the financial assets at fair value through other comprehensive income of the Group had not been pledged as collateral.

(iii) Financial assets at amortized cost

	December 31, 2024	December 31, 2023
Current :		
Time deposits	$ 469,685	562,333
Noncurrent :		
Time deposits	$ 568,848	356,567

The Group has assessed that these financial assets are held-to-maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

For credit risk, please refer to Note 6(21).

As at December 31, 2024 and 2023, the financial assets measured at amortized costs of the Group had not been pledged as collateral.

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(3) **Notes and Accounts Receivable (Including related parties)**

	December 31, 2024	December 31, 2023
Notes receivable	$ 5	-
Accounts receivable–measured at amortized cost	3,309,098	4,048,466
Less: Loss allowance	(3,180)	(4,425)
	$ 3,305,923	**4,044,041**

The Group measures loss allowance for notes and accounts receivable using the simplified approach under IFRS 9 with the lifetime expected credit losses. Analysis of expected credit losses which was measured based on the aforementioned method, was as follows:

	December 31, 2024		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 3,289,145	- %	-
Past due less than 60 days	16,757	- %	-
Past due 61~180 days	21	- %	-
Past due over 181 days	-	- %	-
Total	**$ 3,305,923**		**-**

	December 31, 2023		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 3,991,652	- %	-
Past due less than 60 days	39,748	- %	-
Past due 61~180 days	12,641	- %	-
Past due over 181 days	-	- %	-
Total	**$ 4,044,041**		**-**

As of December 31, 2024 and 2023, the Group fully recognized the allowance loss for its accounts receivable of $3,180 thousand and $4,425 thousand, respectively.

The movement in the allowance for notes and accounts receivable was as follows:

	2024	2023
Balance at January 1	$ 4,425	-
Impairment losses (reversed) recognized	(1,402)	4,507
Effect of changes in foreign currency exchange rates	157	(82)
Balance at December 31	**$ 3,180**	**4,425**

As of December 31, 2024 and 2023, the accounts receivables of the Group had not been pledged as collateral.

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DARWIN PRECISIONS CORPORATION AND SUBSIDIARIES
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The credit and exchange rate risks information of the notes and accounts receivable, please refer to Note 6(21).

(4) **Other receivables**

	December 31, 2024	December 31, 2023
Other receivables－related parties	$ 31,679	475
Others	43,896	29,290
	$ 75,575	**29,765**

For further credit risk information, please refer to Note 6(21).

(5) **Inventories**

	December 31, 2024	December 31, 2023
Raw materials	$ 427,524	473,592
Semi-finished goods	115,159	80,342
Work in progress	128,764	100,175
Finished goods	556,816	609,267
Goods	-	31,604
Inventory in transit	43,556	23,823
	$ 1,271,819	**1,318,803**

Inventory related losses and profits were as follows:

	2024	2023
Gain on valuation and scrap of inventories	$ (1,964)	(15,094)
Unallocated fixed manufacturing expenses	205,845	211,466
Disposal gain on scraps	(58,016)	(68,280)
Operating costs	**$ 145,865**	**128,092**

As of December 31, 2024 and 2023, the inventories of the Group had not been pledged as collateral.

(6) **Investments accounted for using equity method**

The Group’s financial information for investments accounted for using the equity method at the reporting date was as follows:

	December 31, 2024	December 31, 2023
Associates	**$ 59,761**	**49,138**

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For associates accounted for using the equity method that are individually insignificant, the summarized financial information were as follows. This financial information is included in the amounts reported in the consolidated financial statements of the Group:

	December 31, 2024	December 31, 2023
Carrying amount of individually insignificant associates' equity	$ **59,761**	**49,138**

	2024	2023
Attributable to the Group:		
(Loss) profit from continuing operations	$ (6,559)	818
Other comprehensive income	-	12,404
Total comprehensive (loss) income	$ **(6,559)**	**13,222**

In 2023, other comprehensive income of $12,404 thousand was derived from the associate BriView(L) Corp., which was approved for dissolution on September 18, 2023.

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

(7) **Property, plant and equipment**

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

	Land	Buildings and Construction	Machinery and Equipment	Others	Construction in progress and testing equipment	Total
Cost or deemed cost:						
Balance on January 1, 2024	$ 1,195,195	3,011,997	7,040,620	2,720,482	97,025	14,065,319
Additions	-	3,479	94,737	171,792	254,103	524,111
Disposal	-	-	(1,042,609)	(287,270)	-	(1,329,879)
Reclassification and effect of movements in exchange rates	-	101,984	351,733	165,601	(193,862)	425,456
Balance on December 31, 2024	$ **1,195,195**	**3,117,460**	**6,444,481**	**2,770,605**	**157,266**	**13,685,007**

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DARWIN PRECISIONS CORPORATION AND SUBSIDIARIES
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	Land	Buildings and Construction	Machinery and Equipment	Others	Construction in progress and testing equipment	Total
Balance on January 1, 2023	$ 1,195,195	3,070,490	6,496,795	3,272,136	751,583	14,786,199
Additions	-	2,366	65,779	80,336	250,896	399,377
Disposal	-	(1,307)	(274,662)	(650,731)	-	(926,700)
Reclassification and effect of movements in exchange rates	-	(59,552)	752,708	18,741	(905,454)	(193,557)
Balance on December 31, 2023	**$ 1,195,195**	**3,011,997**	**7,040,620**	**2,720,482**	**97,025**	**14,065,319**
Accumulated depreciation:						
Balance on January 1, 2024	**$ -**	**1,541,527**	**4,988,988**	**2,506,028**	**-**	**9,036,543**
Depreciation	-	142,156	604,319	143,811	-	890,286
Disposal	-	-	(980,699)	(286,753)	-	(1,267,452)
Reclassification and effect of movements in exchange rates	-	72,689	158,650	82,579	-	313,918
Balance on December 31, 2024	**$ -**	**1,756,372**	**4,771,258**	**2,445,665**		**8,973,295**
Balance on January 1, 2023	$ -	1,439,316	4,721,195	3,052,817	-	9,213,328
Depreciation	-	144,320	623,266	151,966	-	919,552
Disposal	-	(278)	(263,804)	(648,608)	-	(912,690)
Reclassification and effect of movements in exchange rates	-	(41,831)	(91,669)	(50,147)	-	(183,647)
Balance on December 31, 2023	**$ -**	**1,541,527**	**4,988,988**	**2,506,028**	**-**	**9,036,543**
Carrying amounts:						
Balance on December 31, 2024	**$ 1,195,195**	**1,361,088**	**1,673,223**	**324,940**	**157,266**	**4,711,712**
Balance on January 1, 2023	**$ 1,195,195**	**1,631,174**	**1,775,600**	**219,319**	**751,583**	**5,572,871**
Balance on December 31, 2023	**$ 1,195,195**	**1,470,470**	**2,051,632**	**214,454**	**97,025**	**5,028,776**

(i) Guarantee

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

(ii) Impairment loss

The Group performed impairment assessment on property, plant and equipment at its fair price on December 31, 2024 and 2023. After the assessment on December 31, 2024 and 2023, no impairment loss should be mentioned.

(iii) Plant and equipment under construction

The Group has started construction and costs incurred up to December 31, 2024 and 2023. Included in this amount are capitalized borrowing costs related to the acquisition of the land and the construction of the factory of $174 thousand and $184 thousand, calculated using a capitalization rate of 1.625% ~ 2.23% and 1.50% ~ 2.10%, respectively, please refer to Note 6(19) for capitalization of interest.

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(iv) For sale property, plant, and equipment reclassified

To meet operational planning needs, the Group's board of directors resolved on January 5, 2024, to sell a batch of equipment used in operations. The sales contract was signed for CNY 93,180 thousand. On March 1, 2024, the board of directors also resolved to participate in the cash capital increase of Chengdu Topway High-Tech Photoelectric Technology Co., Ltd., with an investment amount of CNY 85,000 thousand. According to accounting standards, this sale of equipment and the cash capital increase are considered linked transactions. Therefore, the Group treats this transaction as an asset exchange. After evaluating the transaction as having commercial substance, the fair value of the equity (incoming asset) was used as the basis for accounting when the equipment (outgoing asset) transaction was completed in October 2024. A gain of $225,931 thousand from the disposal of property, plant, and equipment was recognized. For details, please refer to Notes 6(2) and (19).

(8) **Right-of-use assets**

The Group leases land. Information about leases for which the Group as a lessee was presented below:

		Land
Cost:		
Balance at January 1, 2024	$	228,343
Effect of movement in exchange rate		3,620
Balance at December 31, 2024	**$**	**231,963**
Balance at January 1, 2023	$	230,459
Effect of movement in exchange rate		(2,116)
Balance at December 31, 2023	**$**	**228,343**
Accumulated depreciation and impairment losses:		
Balance at January 1, 2024	$	31,576
Depreciation for the year		6,401
Effect of movement in exchange rate		490
Balance at December 31, 2024	**$**	**38,467**
Balance at January 1, 2023	$	25,485
Depreciation for the year		6,363
Effect of movement in exchange rate		(272)
Balance at December 31, 2023	**$**	**31,576**
Carrying amounts：		
Balance at December 31, 2024	**$**	**193,496**
Balance at January 1, 2023	**$**	**204,974**
Balance at December 31, 2023	**$**	**196,767**

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As of December 31, 2024 and 2023, the Right-of-use assets of the Group had been pledged as collateral for long-term borrowings; please refer to Note 8.

(9) **Other current assets and other noncurrent assets**

The other current assets and the other noncurrent assets of the Group were as follows:

	December 31, 2024	December 31, 2023
Overpaid sales tax	$ 41,407	31,505
Tax prepayment	11,344	10,652
Temporary payments	19,837	27,365
Prepayments	19,445	8,837
Other	10,658	3,280
	$ 102,691	**81,639**

(10) **Other current liabilities**

The other current liabilities of the Group were as follows:

	December 31, 2024	December 31, 2023
Temporary receipts	$ 61,765	20,919
Withholding	13,305	13,698
Deferred revenue	45,022	32,739
Other	5,620	2,844
	$ 125,712	**70,200**

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(11) **Long-term borrowings**

The details were as follows:

	December 31, 2024		
	Maturity year		**Amount**
Unsecured bank loans	2025.10~2027.6	$	1,106,400
Secured bank loans	2032.4		231,017
Secured other loans	2026.3		408,962
			1,746,379
Less: current portion			(525,072)
Total		**$**	**1,221,307**
Unused long-term credit lines		**$**	**5,656,154**
Range of interest rates			**1.625%～2.23%**

	December 31, 2023		
	Maturity year		**Amount**
Unsecured bank loans	2025.1~2026.12	$	1,558,080
Unsecured other loans	2024.9		20,843
Secured bank loans	2024.9~2032.4		658,525
Secured other loans	2026.3		691,155
			2,928,603
Less: current portion			(907,211)
Total		**$**	**2,021,392**
Unused long-term credit lines		**$**	**4,722,949**
Range of interest rates			**1.50%~4.00%**

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

(12) **Provisions**

		Warranties
Balance at January 1, 2024	$	60,302
Provisions made during the year		77,675
Provisions used during the year		(44,457)
Effect of change in exchange rate		940
Balance at December 31, 2024		**94,460**
Less: Provisions－current		(52,569)
Provisions－non-current	**$**	**41,891**

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		Warranties
Balance at January 1, 2023	$	63,626
Provisions made during the year		27,571
Provisions used during the year		(30,349)
Effect of change in exchange rate		(546)
Balance at December 31, 2023		**60,302**
Less: Provisions－current		(45,092)
Provisions－non-current	**$**	**15,210**

The provision for warranties during the years ended December 31, 2024 and 2023 is based on estimates made from historical warranty data associated with similar products and services. The Group expects to settle most of the liability over the next two years.

(13) **Employee benefits**

The Company set aside $13 thousand and $12 thousand, respectively, of the pension costs under the defined benefit plans for the years ended December 31, 2024 and 2023.

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

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $25,679 thousand and $26,187 thousand for the years ended December 31, 2024 and 2023, respectively.

Except for the Company, foreign subsidiaries recognized pension expense of $148,425 thousand and $143,118 thousand for the years ended December 31, 2024 and 2023, respectively, for the defined contribution plans based on their respective local government regulations.

(14) **Income taxes**

(i) Income tax expense (benefit)

The Group of income tax expense (benefit) in the years 2024 and 2023 were as follows:

		2024	**2023**
Current tax expense:			
Current period	$	192,327	120,127
Adjustment for prior periods		12,258	17,877
		204,585	138,004
Deferred tax expense (benefit)：			
Origination and reversal of temporary differences		86,510	(274,798)
Income tax expense (benefit)	**$**	**291,095**	**(136,794)**

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The amount of income tax benefit recognized in other comprehensive income for 2024 and 2023 were as follows:

	2024	2023
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign financial statements	**$ 50,710**	**(33,145)**

Reconciliation of income tax and profit before tax 2024 and 2023 were as follows:

	2024	2023
(Loss) profit before income tax	**$ 478,116**	**(22,135)**
Income tax using the Company's domestic tax rate	$ 95,623	(4,427)
Effect of tax rates in foreign jurisdiction	154,688	205,105
Tax-exempt income	13,501	-
Non-deductible expenses	-	(130,811)
Impact of loss deduction	18,746	28,296
Changes in unrecognized temporary differences	(3,724)	(252,490)
Changes in provision in prior periods	12,258	17,877
Others	3	(344)
Total	**$ 291,095**	**(136,794)**

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

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

	December 31, 2024	December 31, 2023
Deductible temporary differences	$ 7	772
The carry forward of unused tax losses	570,799	571,694
Investment deduction	16,267	12,201
	$ 587,073	**584,667**

Tax loss carry forwards is utilized in accordance with the relevant jurisdiction tax laws and regulation that allows net losses to offset taxable income. It was not recognized in deferred tax assets because the Group believed that it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

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

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Year of loss	Unused tax loss	Expiry date
2019 (assessed)	$ 56,373	2024~2029
2020 (assessed)	163,881	2025~2030
2021 (assessed)	126,212	2026~2031
2022 (assessed)	43,671	2027~2032
2023 (estimated)	131,138	2028~2033
2024 (estimated)	49,524	2034
	$ 570,799	

2) Recognized deferred tax assets and liabilities

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

		Loss of inventory valuation	Exchange differences on translation of foreign financial statements	Depreciation amortization	Tax losses	Others	Total
Deferred Tax Assets:							
Balance at January 1, 2024	$	58,332	119,308	190,847	32,364	55,158	456,009
Recognized in profit (loss)		(454)	-	24,485	-	8,598	32,629
Recognized in other comprehensive income (loss)		-	(50,710)	-	-	-	(50,710)
Recognized in exchange rate changes		690	(1)	7,084	1,186	1,368	10,327
Balance at December 31, 2024	**$**	**58,568**	**68,597**	**222,416**	**33,550**	**65,124**	**448,255**
Balance at January 1, 2023	$	42,839	86,163	-	-	9,371	138,373
Recognized in profit (loss)		15,493	-	190,847	32,364	45,787	284,491
Recognized in other comprehensive income (loss)		-	33,145	-	-	-	33,145
Balance at December 31, 2023	$	58,332	119,308	190,847	32,364	55,158	456,009

		Recognized foreign investment gains under equity method	Other	Total
Deferred Tax Liabilities:				
Balance at January 1, 2024	$	902,047	2,966	905,013
Recognized in profit (loss)		120,383	(1,244)	119,139
Recognized in exchange rate change		-	104	104
Balance at December 31, 2024	**$**	**1,022,430**	**1,826**	**1,024,256**
Balance at January 1, 2023	$	891,973	3,347	895,320
Recognized in profit (loss)		10,074	(381)	9,693
Balance at December 31, 2023	**$**	**902,047**	**2,966**	**905,013**

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(iii) Assessment of tax

The Company's tax returns for the years through 2022 were assessed by the tax authorities.

(15) **Capital and other equity**

As of December 31, 2024 and 2023 , the Company's authorized common stock, with par value of $10 per share, all amounted to $8,500,000 thousand, and the outstanding ordinary shares both amounted to $6,655,551 thousand.

(i) Capital Surplus

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

	December 31, 2024	December 31, 2023
Capital premium (Including merger and premium)	$ 1,705,661	1,772,216
Treasury shares transactions	177,139	177,139
Changes in equity of associates and joint ventures accounted for using the equity method	882,918	882,894
Employee share options	5,193	5,193
	$ 2,770,911	2,837,442

According to the R.O.C. Company Act, capital surplus may be used to offset accumulated deficits first, and only the realized capital surplus can be distributed by issuing common stock as stock dividends or by cash according to the proportion of shareholders'. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of paid-in capital.

(ii) Retained earnings

Where the Company has a profit at the end of each fiscal year, the Company shall first allocate the profit to pay taxes and cover accumulated losses, and then 10% of the remaining net earnings shall be allocated as the Company's legal reserve unless and until the accumulated legal reserve reaches the paid in capital. Certain amount shall be further allocated as special reserve or the special reserve shall be reversed in accordance with applicable laws and regulations or as requested by the competent authority. If there is still remaining earning, it shall be combined with the accumulated undistributed earnings for the Board of Directors to prepare an earnings distribution proposal in order to execute the distribution thereof through resolution according to the laws. Dividend distribution in the form of shares in whole or in part shall be approved by the shareholders' meeting. Dividend distribution in the form of cash shall be approved by the Board of Directors and a report of such distribution shall be submitted to the shareholders' meeting.

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The Company's dividend policy is to pay dividends from surplus considering factors such as the Company's current and future investment environment, cash requirements, domestic and overseas competitive conditions and capital budget requirements, and taking into account the shareholders' interest, maintenance of a balanced dividend and the Company's long term financial plan. The shareholders' dividend distribution ratio, in principle, could be zero percent to eighty percent of the distributable earnings. The ratio of the cash dividends paid shall not be less than thirty percent of the total amount of the cash and stock dividends paid in the current year.

1) Legal reserve

Legal reserve can be used to offset accumulated deficits. When the company incurs no loss, it may, pursuant to a resolution to be adopted by a shareholders' meeting, distribute its legal reserve by issuing new shares or by cash, and only the portion of legal reserve which exceeds 25% of the paid-in capital may be distributed.

2) Special reserve

In accordance with Ruling by the FSC, a portion of the current period earnings and undistributed prior period earnings shall be reclassified as special earnings reserve during the earnings distribution. The amount to be reclassified should equal to the current period total net reduction of other shareholders' equity. Similarly, a portion of the undistributed prior period earnings shall be reclassified as special earnings reserve to account for cumulative changes in other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The amount of cash dividends of the Group from capital surplus project resolved by the Board of Directors on May 2, 2024 and surplus distribution of 2023 based on the resolution approved during shareholders' meeting held on June 14, 2024 are as follows:

	Cash dividends from capital surplus	Dividend per share
Cash dividends from capital surplus	**$ 66,555**	**0.1**

	Earnings distribution
Legal reserve	$ 12,599
Special reserve	113,390
	$ 125,989

The amount of cash dividends of the Group in 2022 earnings distribution project resolved by the Board of Directors on April 25, 2023 and other surplus distribution of 2022 based on the resolution approved during shareholders' meeting held on June 14, 2023 are as follows:

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	Earnings distribution	Dividend per share
Legal reserve	$ 12,566	
Special reserve	11,128	
Cash dividends	101,970	0.15321
	$ 125,664	

(iii) Other equity (net of tax)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2024	$ (1,216,175)	-	(1,216,175)
Exchange differences on foreign operations	253,549	-	253,549
Unrealized gains from financial assets measured at fair value through other comprehensive income	-	70,036	70,036
Related tax	(50,710)	-	(50,710)
Balance at December 31, 2024	**$ (1,013,336)**	**70,036**	**(943,300)**
Balance at January 1, 2023	$ (1,083,629)	(2,500)	(1,086,129)
Exchange differences on foreign operations	(154,221)	-	(154,221)
Cumulative gains (losses) reclassified to profit or loss on disposal of foreign operations	(11,470)	-	(11,470)
Unrealized gains from financial assets measured at fair value through other comprehensive income	-	13,830	13,830
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	(11,330)	(11,330)
Related tax	33,145	-	33,145
Balance at December 31, 2023	**$ (1,216,175)**	**-**	**(1,216,175)**

(16) **Earnings per share**

The calculation of basic earnings per share and diluted earnings per share in 2024 and 2023 were as follows:

	2024	2023
Basic earnings per share		
Profit of the Company for the year	**$ 187,021**	**114,659**
Weighted average number of outstanding ordinary shares (in thousands)	**665,555**	**665,555**
Basic earnings per share (in dollars)	**$ 0.28**	**0.17**

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		2024	2023
Diluted earnings per share			
Profit of the Company for the year	$	**187,021**	**114,659**
Weighted-average number of outstanding ordinary shares (in thousands)		665,555	665,555
Effect of dilutive potential common shares			
Effect of employee share bonus		1,338	836
Weightier-average number of ordinary shares (in thousands) (diluted)		**666,893**	**666,391**
Diluted earnings per share (in dollars)	$	**0.28**	**0.17**

(17) **Revenue from contracts with customers**

(i) Disaggregation of revenue

		2024	2023
Primary geographical markets			
Korea	$	12,936,637	8,910,516
China		5,013,572	4,816,027
Taiwan		2,866,462	3,970,873
Japan		52,664	60,752
Other		3,236	11,814
	$	**20,872,571**	**17,769,982**
Major products			
LCD TV and module foundry	$	16,544,895	13,258,901
Optoelectronic technology products and peripheral components		4,327,676	4,511,081
	$	**20,872,571**	**17,769,982**

(ii) Contract balances

		December 31, 2024	December 31, 2023
Contract liabilities	$	**14,715**	**11,774**

For details on accounts receivable and allowance for impairment, please refer to Note 6(3).

The amount of revenue recognized for the years ended December 31, 2024 and 2023 that was included in the contract liability balance at the beginning of the period were $8,107 thousand and $35,028 thousand, respectively.

The contract liabilities primarily relate to the advance consideration received from customers for the optoelectronics technology sales contracts, for which revenue is recognized when products are delivered to customers.

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(iii) Transaction price allocated to the remaining performance obligations

The Group recognizes revenue related to optoelectronic technology products and peripheral components in the amount to which the Group has a right to invoice, thus the Group applies the practical expedient of IFRS and does not disclose information about the transaction price allocated to the remaining performance obligations of the contract.

(18) **Employee compensation and directors' and supervisors' remuneration**

In accordance with the Company’s Articles of Incorporation, where the Company has a profit before tax for each fiscal year, the Company shall first reserve certain amount of the profit to recover losses for preceding years, and then set aside no less than 1% of the remaining profit for distribution to employees as remuneration and no more than 1% of the remaining profit for distribution to directors as remuneration. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain specific qualifications.

For the year ended December 31, 2024 and 2023, the Company estimated its employee remuneration amounting to $16,486 thousand and $8,873 thousand, and directors' remuneration amounting to $1,649 thousand and $887 thousand. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Board of Directors. These remunerations were expensed under operating costs or operating expenses during 2024 and 2023. If there is a change in the proposed amounts after the annual consolidated financial statements are authorized for issue, the differences are accounted for as a change in accounting estimate and adjusted prospectively to next year's profit or loss. If remuneration to employees is resolved to be distributed in stock, the number of shares is determined by dividing the amount of remuneration by the closing price of the shares on the day preceding the Board of Directors' meeting.

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

(19) **Non-operating income and expenses**

(i) Interest income

The details of the interest income for the years 2024 and 2023 were as follows:

	2024	2023
Interest income－bank deposits	$ 163,361	160,050
Other interest income	33,011	43,823
	$ 196,372	**203,873**

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(ii) Other income

The details of other income for the years 2024 and 2023 were as follows:

	2024	2023
Rent income	$ 9,982	5,853
Subsidy	105,414	60,039
Dividends	351	178
Others	46,951	49,751
	$ 162,698	**115,821**

(iii) Other gains and losses

The details of other gains and losses for the years 2024 and 2023 were as follows:

	2024	2023
Gain on disposal of investments	$ -	41,567
Gain on disposals of property, plant and equipment	232,348	8,964
Gain (loss) from the financial assets (liabilities) at fair value through profit or loss	29,881	(16,704)
Foreign exchange gains (losses)	53,059	(36,953)
Others	(2,318)	(4,896)
	$ 312,970	**(8,022)**

(iv) Finance costs

The details of finance costs for the years 2024 and 2023 were as follows:

	2024	2023
Interest expense	$ 39,884	57,388
Less: capitalization of interest	(174)	(184)
	$ 39,710	**57,204**

(20) **Financial Instruments**

1) Fair value hierarchy

The fair value of financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity instruments do not have quoted price in active market and whose fair value cannot be reliably measured, disclosure of fair value information is not required :

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	December 31, 2024				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss					
Derivative financial assets	$ 7,304	-	7,304	-	7,304
Financial assets at fair value through other comprehensive income					
Stocks in non-listed companies	492,982	-	-	492,982	492,982
Financial assets measured at amortized cost					
Cash and cash equivalents	5,871,695	-	-	-	-
Trade receivables (Including related parties)	3,381,498	-	-	-	-
Financial asset at amortized cost－current	469,685	-	-	-	-
Financial asset at amortized cost－non-current	568,848	-	-	-	-
Other financial assets－time deposit	408,962	-	-	-	-
Other financial assets－refundable deposit	3,952	-	-	-	-
Subtotal	10,704,640	-	-	-	-
Total	**$ 11,204,926**				
Financial liabilities measured at amortized cost					
Trade payables (Including related parties)	$ 4,450,392	-	-	-	-
Long-term borrowings (Including due within one year)	1,746,379	-	-	-	-
Other non-current liabilities－deposits received	25,851	-	-	-	-
Total	**$ 6,222,622**				

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	December 31, 2023				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit and loss					
Derivative financial assets	$ 11,864	-	11,864	-	11,864
Financial assets at fair value through other comprehensive income					
Stocks in non-listed companies	58,331	-	-	58,331	58,331
Financial assets measured at amortized cost					
Cash and cash equivalents	5,332,533	-	-	-	-
Trade receivables (Including related parties)	4,073,806	-	-	-	-
Financial asset at amortized cost－current	562,333	-	-	-	-
Financial asset at amortized cost－non-current	356,567	-	-	-	-
Other financial assets－time deposit	691,155	-	-	-	-
Other financial assets－refundable deposits	3,585	-	-	-	-
Subtotal	11,019,979				
Total	**$ 11,090,174**				
Financial liabilities measured at amortized cost					
Trade payables (Including related parties)	$ 4,142,964	-	-	-	-
Long-term borrowings (Including due within one year)	2,928,603	-	-	-	-
Other non-current liabilities－deposits received	13,322	-	-	-	-
Total	**$ 7,084,889**				

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

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

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

For domestic and foreign time deposits, their fair value approximate to their carrying amount.

For long-term borrowings with interest paid at a floating rate, the carrying amount approximates fair value. For those with interest paid at a fixed rate, the fair value is determined by discounting the expected cash flows at the market interest rate.

(Continued)

The refundable deposits and deposits received are based on carrying amount as there is no fixed maturity.

3) Valuation techniques of financial instruments measured at fair value

Fair value of forward currency is measured based on the maturity date of each contract with quoted spot rate and quoted swap points from bank quote system.

4) Transfers between Level 1 and Level 2

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

5) Reconciliation of Level 3 fair values

		Fair value through other comprehensive income-Equity Instruments without an Active Market
Balance at January 1, 2024	$	58,331
Recognized in other comprehensive income		70,036
Additions		364,615
Balance at December 31, 2024	$	**492,982**
Balance at January 1, 2023	$	98,263
Recognized in other comprehensive income		13,830
Disposal		(53,762)
Balance at December 31, 2023	$	**58,331**

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

The Group's financial instruments that use Level 3 inputs to measure fair value is "financial assets measured at fair value through other comprehensive income – equity investments".

The Group's equity investments without an active market that use Level 3 inputs to measure fair value has a complex significant unobservable inputs. The significant unobservable inputs are not interrelated because they are independent of each other.

For some equity investment instruments held by the Group that do not have active market quotations and are not for short term trading purposes, the management obtains the recent financial report of the investee company, evaluates the development of the industry and reviews the publicly available information; thereafter, inspects it accordingly to evaluate the operating risk and future operating performance of the investee company to assess the fair value of the investee company. Generally, changes in the industry and market prospects are highly positively correlated with changes in the operations and future performance of the investee company.

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Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income－equity investments without an active market	Market method	• Price-Earnings ratio（As of December 31, 2024 and 2023 were 14.8~29.22 and 11.65~20.75, respectively) • Price-Book Ratio（As of December 31, 2024 and2023 were 1.42~10.92 and 3.065, respectively.) • Discount for lack of marketability（As of December 31, 2024 and 2023 were 20%~30% and 20%)	The estimated fair value would increase (decrease) if: • the price-earnings ratio growth rate was higher (lower); • the Price-Book Ratio was higher (lower); or • the degree of lack of marketability were lower (higher).
	At the most recent transaction price in a non-active market	• Not applicable	• Not applicable

(21) **Financial risk management**

(i) Overview

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

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Group’s objectives, policies and processes for measuring and managing the above mentioned risks.

For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

(ii) Structure of risk management

The Group’s finance management department provides business services for the overall internal department. It coordinates and accesses to domestic and international financial market operations. Besides, the department also supervises and manages the financial risks related to the Group's operations by analyzing the internal risk assessment of exposures according to the degree and breadth of risks. The Group minimizes the risk exposure through derivative financial instruments. The Board of Directors regulates the use of derivative financial instruments in accordance with the Group’s policy on risks arising from financial instruments such as currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investments of excess liquidity. The internal auditors of the Group continue to review the amount of the risk exposure in accordance with the Group’s policies and the risk management's policies and procedures. The Group has no transactions in financial instruments (including derivative financial instruments) for the purpose of speculation.

(Continued)

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group’s receivables from customers and financial assets.

The carrying amount of financial assets represents the maximum amount exposed to credit risk. As of December 31, 2024 and 2023 , the maximum amount exposed to credit risk were $11,204,926 thousand and $11,090,174 thousand, respectively.

1) Trade and other receivables

The Group established a credit policy to obtain the necessary collateral or take out account receivable insurance to mitigate risks arising from financial loss due to default risk. The Group will transact with corporations having credit ratings equivalent to investment grade, and such ratings are provided by independent rating agencies. Where it is not possible to obtain such information, the Group will assess the ratings based on other publicly available financial information and records of transactions with its major customers.

The major customers of the Group are centralized in the LCD optoelectronic products industry. To minimize credit risk, the Group periodically evaluates its financial positions and the possibility of collecting trade receivables. Besides, the Group monitors and reviews the recoverable amounts of the trade receivables to ensure the uncollectible amounts are recognized appropriately as impairment loss. As of December 31, 2024 and 2023, 79% and 69%, respectively, of accounts receivable were derived from three major customers. Thus, the credit risk is significantly centralized. The Group continuously evaluates its customer's financial position and actual collection situation, and, if necessary, the Group flexibly uses credit protection tools such as prepayment, accounts receivable factoring, credit insurance, or requires the customer to provide collateral or guarantees to reduce the customer's credit risk.

For credit risk exposure of accounts receivable, please refer to Note 6(3). Other financial assets at amortized cost held by the Group is time deposits. The Group only deals financial institutions with good credit rating, so these financial assets are considered to have low risk, please refer to Note 6(2).

Other receivables are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. There were no impairment provisions on other receivables for the years ended December 31, 2024 and 2023. For related information, please refer to Note 6(4).

2) Investments

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

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3) Guarantees

The Group's policy is to provide financial guarantees only to company with business dealings, company that the group directly or indirectly held more than 50% of the voting rights, and company that directly or indirectly hold more than 50% of the voting rights in the Group. At December 31, 2024 and 2023, there were no guarantees .

(iv) Liquidity risk

The Group manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group management supervises the banking facilities and ensures compliance with the terms of loan agreements.

Loans and borrowings from the bank form an important source of liquidity for the Group. As of December 31, 2024 and 2023, the Group's unused credit line were amounted to $7,554,443 thousand and $6,834,965 thousand, respectively.

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

	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years	over 5 years
Balance at December 31, 2024						
Non-derivative financial liabilities						
Long-term borrowings (Including due within one year)	$ 1,746,379	1,796,360	549,807	967,490	203,578	75,485
Accounts payable and other payables (Including related-party)	4,450,392	4,450,392	4,450,392	-	-	-
Deposits received	25,851	25,851	-	25,851	-	-
	$ 6,222,622	**6,272,603**	**5,000,199**	**993,341**	**203,578**	**75,485**
Balance at December 31, 2023						
Non-derivative financial liabilities						
Long-term borrowings (Including due within one year)	$ 2,928,603	3,000,720	950,415	1,720,229	221,302	108,774
Accounts payable and other payables (Including related-party)	4,142,964	4,142,964	4,142,964	-	-	-
Deposits received	13,322	13,322	-	13,322	-	-
	$ 7,084,889	**7,157,006**	**5,093,379**	**1,733,551**	**221,302**	**108,774**

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

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(v) Market risk

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

1) Currency risk

The Group is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily the NTD, US Dollar (USD), and Chinese Yuan (CNY). The currencies used in these transactions are the NTD, USD, Japanese Yen (JPY) and CNY.

(A) Exposure to foreign currency risk

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

	December 31, 2024			December 31, 2023		
	Foreign Currency	**Exchange Rates**	**New Taiwan Dollars**	**Foreign Currency**	**Exchange Rates**	**New Taiwan Dollars**
Financial Assets						
Monetary items						
USD	$ 174,030	32.717	5,693,740	219,288	30.718	6,736,089
Financial Liabilities						
Monetary items						
USD	120,133	32.717	3,930,391	131,066	30.718	4,026,086

(B) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts and other receivables, other financial assets, borrowings, and accounts and other payables that are denominated in foreign currency. A strengthening (weakening) 1% of the NTD against the USD as of December 31, 2024 and 2023 would have increased / decreased the net (loss) profit before tax by $17,633 thousand and decreased / increased by $27,100 thousand, respectively, with all other variable factors remaining constant. The analysis is performed on the same basis for both periods.

(C) Foreign exchange gain and loss on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. In 2024 and 2023, the foreign exchange gain (loss) (including realized and unrealized portions) amounted to $53,059 thousand and ($36,953) thousand, respectively.

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2) Interest rate risk

The Group's exposure to change in interest rates is mainly from floating-rate long-term debt obligations. Any change in interest rates will cause the effective interests rates of long-term borrowings to change and thus cause the future cash flows to fluctuate over time.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.5% when internally reporting to the management, who also represents the Group's assessment on the reasonably possible interest rate change.
If the interest rate had increased / decreased by 0.5% basis points, the Group’s (loss) profit before income tax would have decreased / increased by $6,687 thousand and increased / decreased by $9,103 thousand for the year ended December 31, 2024 and 2023, respectively, with all other variable factors remaining constant. This was mainly due to the Group’s borrowing at variable rates.

(22) **Capital management**

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

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

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

As of 31 December 2024, the Group’s capital management strategy is consistent with the prior year as of 31 December 2023 to ensure financing at reasonable cost. The Group’s debt-to-equity ratio at the end of the reporting period as of 31 December 2024 and 2023, were as follows:

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	December 31, 2024	December 31, 2023
Total liabilities	$ 8,379,492	9,003,624
Less: cash and cash equivalents	(5,871,695)	(5,332,533)
Net debt	2,507,797	3,671,091
Total equity	9,615,136	9,221,771
Total assets	$ 12,122,933	12,892,862
Debt-to-equity ratio at 31 December	**20.69%**	**28.47%**

(23) **Investing and financing activities not affecting current cash flow**

Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2024	Cash flows	Non-cash changes Foreign exchange movement	December 31, 2024
Long-term borrowings	$ 2,928,603	(1,236,336)	54,112	1,746,379

	January 1, 2023	Cash flows	Non-cash changes Foreign exchange movement	December 31, 2023
Long-term borrowings	$ 4,088,637	(1,155,191)	(4,843)	2,928,603

7. Related-party transactions:

(1) **Parent company and ultimate controlling company**

AUO Corporation is both the parent company and the ultimate controlling party of the Group. It has issued the consolidated financial statements available for public use.

(2) **Names and relationship with related parties**

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

Name of related party	Relationship with the Group
AUO Corporation (AUO)	Ultimate parent company
AUO Display Plus Corporation (ADPHQ)	Subsidiary of AUO
Star River Energy Corp. (SREC)	Subsidiary of AUO
Space Money Inc. (S4M)	Subsidiary of AUO
Da Ping Green Energy Corporation (DPGE)	Subsidiary of AUO
Sanda Materials Corporation (SDMC)	Subsidiary of AUO

DARWIN PRECISIONS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of related party	Relationship with the Group
AUO MegaInsight (Suzhou) Corp., Ltd (AMISZ)	Subsidiary of AUO
AUO MegaInsight (Xiamen) Corp., Ltd (AMIXM)	Subsidiary of AUO
AUO (Suzhou) Co., Ltd. (AUOSZ)	Subsidiary of AUO
AUO (Xiamen) Co., Ltd. (AUOXM)	Subsidiary of AUO
AUO (Kunshan) Co., Ltd. (AUOKS)	Subsidiary of AUO
AUO (Vietnam) Co., Ltd. (AUOVN)	Subsidiary of AUO
Aedgetech Data Technologies (Suzhou) Corp., Ltd. (ATISZ)	Subsidiary of AUO
Yo-Pei Water Corporation (AET-YP)	Subsidiary of AUO
Feng Yao Power Corporation (FYPC)	Subsidiary of AUO
Zheng Yao Power Corporation (ZYPC)	Subsidiary of AUO
AUO Digitech (Suzhou) Co., Ltd. (ADTSZ)	Subsidiary of AUO
AUO Power Corporation (AUOPC)	Subsidiary of AUO
AUO Display Plus Technology (Suzhou) Co., Ltd. (ADPSZ)	Subsidiary of AUO
Darwin Summit Corporation Ltd. (DSC)	An Associate
Shine Biomedical Technology Corporation (Shine Biomedical)	An Associate
Chengdu Topway High-Tech Photoelectric Technology Co., Ltd., (Topway)	Other related parties
Anivance AI Corporation	Other related parties
Partner Tech Corp. (PTT)	Other related parties
ChampionGen Power Corporation (CGPC)	Other related parties
Transnet Corporation (Transnet)	Other related parties
Qisda Corporation (Qisda)	Other related parties
Qisda (Suzhou) Co., Ltd. (QCSZ)	Other related parties
Qisda Optronics (Suzhou) Co., Ltd (QCOS)	Other related parties
Lextar Electronics Corporation (Lextar)	Other related parties
Sheng Yao Power Corporation (SYPC)	Other related parties
Sheng Li Energy Corporation (SLEC)	Other related parties
Metaguru Corporation (Metaguru)	Other related parties
BenQ Asia Pacific Corp. (BQP)	Other related parties
BenQ Materials Corp. (BMC)	Other related parties
BenQ Material (Suzhou) Co., Ltd. (BMS)	Other related parties
BenQ Co., Ltd. (BQC)	Other related parties
BenQ Logistic (Shanhai) Co., Ltd. (BQls)	Other related parties
Star Shining Energy Corporation (SSEC)	Other related parties
He Shuo Agricultural Biotech Corporation (HSNC)	Other related parties
DFI Inc. (DFI)	Other related parties
TronGen Power Corporation (TGPC)	Other related parties
Fargen Power Corporation (FGPC)	Other related parties
Lextar Electronics (ChuZhou) Corp. (LECZ)	Other related parties
Ri Ji Power Corporation (RJPC)	Other related parties

(Continued)

DARWIN PRECISIONS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of related party	Relationship with the Group
Ri Jing Power Corporation (RGPC)	Other related parties
Mao Zheng Energy Corporation (MZEC)	Other related parties
Mao Xin Energy Corporation (MXEC)	Other related parties
Adlink Technology Inc. (ADLINK)	Other related parties
Shin Sheng Feng Investment Corp. (SSFI)	Other related parties
Sheng Da Power Corporation (SDPC)	Other related parties
BenQ Medical Technology Corporation. (TMC)	Other related parties

(3) **Significant transactions with related parties**

(i) Sales

The amounts of significant sales by the Group to related parties were as follows:

	2024	2023
Ultimate parent company－AUO	$ 2,078,451	2,780,342
Associates	-	4,421
Other related parties:		
AUOXM	1,752,850	1,665,160
AUOSZ	1,423,074	1,418,424
Others	615,010	680,147
	$ 5,869,385	**6,548,494**

The sales price of the Group to its related parties is not comparable to other clients due to the differences in the sales of the goods. The credit terms for sales to related parties were 30 to 120 days from the end of the month. The credit terms were no different from those given by other clients.

(ii) Purchases

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

	2024	2023
Ultimate parent company－AUO	$ 1,093	3,940
Other related parties:		
Lextar	302,449	391,248
ADPHQ	69,260	116,344
Others	18	131
	$ 372,820	**511,663**

DARWIN PRECISIONS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The purchase price offered by the Group to its related parties is not comparable to other vendors due to the differences in the purchases of the goods. The payments terms for purchases from related parties were 30 to 120 days. The payment terms were no different from those given by other vendors.

(iii) Receivables from Related Parties

The details of the Group's accounts receivable from related parties were as follows:

Account	Relationship	December 31, 2024	December 31, 2023
Accounts receivable	Ultimate parent company－AUO	$ 244,171	409,822
Accounts receivable	Other related parties:		
	AUOXM	647,113	549,411
	AUOSZ	624,287	472,080
	Others	213,986	289,285
Other receivables	Ultimate parent company－AUO	30,000	-
Other receivables	Associate	1,123	-
Other receivables	Other related parties	556	475
		$ 1,761,236	**1,721,073**

(iv) Payables to Related Parties

The details of the Group's payment to related parties were as follows:

Account	Relationship	December 31, 2024	December 31, 2023
Accounts payable	Ultimate parent company－AUO	$ 49	80
Accounts payable	Other related parties:		
	Lextar	113,425	122,978
	ADPHQ	13,159	23,017
	Others	-	53
Other payables	Ultimate parent company－AUO	-	3
Other payables	Associate	70	-
Other payables	Other related parties	17,981	18,101
		$ 144,684	**164,232**

DARWIN PRECISIONS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Contract liabilities

The detail of the Group's contract liabilities were as follows:

Account	Relationship	December 31, 2024	December 31, 2023
Contract liabilities	Ultimate parent company－AUO	$ 4,266	364
	Other related parties:		
	ADPHQ	469	710
	Others	384	-
		$ 5,119	1,074

The relevant information, please refer to Note 6(17).

(vi) Other transactions with related parties

	Amounts 2024	Amounts 2023
Ultimate parent company－AUO－other expenses, etc.	$ 996	3,357
Associate－other expenses, etc.	168	-
Other related parties－other expenses, etc.	16,036	10,671
Ultimate parent company－AUO－other income, etc.	674	11,048
Other related parties－other income, etc.	777	1,030
Associate－other income, etc.	861	-

All outstanding balances with these related parties should be settled in cash within three months of the reporting date, and the general fee payment is deemed to be the current month's payment. Its transaction price is not significantly different from ordinary transactions.

(vii) Property transactions

1) Purchases of property, plant and equipment

The purchases price of property, plant and equipment purchased from related parties are summarized as follows:

Relationship	2024	2023
Other related parties	$ 8,111	4,731

For the above-mentioned purchases of other equipment from related parties, the unpaid balance of the Group were $0 thousand and $561 as of December 31, 2024 and 2023, respectively,which recorded under other payables to related parties. For detailed information on property, plant and equipment, please refer to Note 6 (7).

DARWIN PRECISIONS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Disposals of property, plant and equipment

The disposals of property, plant and equipment to related parties are summarized as follows:

	2024		2023	
	Proceeds from Disposal	Gain/Loss on Disposal	Proceeds from Disposal	Gain/Loss on Disposal
Associates	$ 72	9	-	-

The Group's receivables incurred from the sale of other equipment to related parties mentioned above had to be received as of December 31, 2024 and 2023. For detailed information about property, plant and equipment, please refer to Note 6 (7).

(viii) Leases

1) Rental expenses

The details of the rental expenses incurred by the Group for renting workshops, dormitories, and transportation equipment from related parties in the 2024 and 2023 were as follows:

	2024	2023
Ultimate parent company－AUO	$ 1,240	1,103
Other related parties:		
AUOXM	2,788	3,169
AUOSZ	2,162	1,676
Other	597	508
	$ 6,787	6,456

The payment terms of the Group for renting workshops and dormitories to related parties are mainly one or three months in one installment, with payment before the 25th of the following month. There was no significant difference between the transaction price and the general price.

2) Rental income

The details of the rental income generated by the Group from renting out dormitories and office to related parties in 2024 and 2023 were as follows:

	2024	2023
Other related parties－AUOXM	4,039	2,113
Other related parties－Other	736	602
Associates	3,734	-
	$ 8,509	2,715

The Group leases its dormitories to related with monthly lease payment. In addition, the Group leases its office to related parties with quarterly lease payment.

(4) **Key management personnel compensation**

Key management personnel compensation comprised the following:

	2024	2023
Short-term employee benefits	$ 43,169	42,078
Post-employment benefits	324	315
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	$ 43,493	**42,393**

8. Pledged assets:

The carrying values of pledged assets were as follow:

Pledged assets	Object	December 31, 2024	December 31, 2023
Land	Guarantee for Bank Loan	$ 909,333	909,333
Building	Guarantee for Bank Loan	1,208,070	1,289,969
Right-of-use asset	Guarantee for Bank Loan	74,318	73,940
Other financial assets - restricted bank deposits	Guarantee for Bank Loan (Note 1)	408,962	691,155
		$ 2,600,683	**2,964,397**

Note1 : Time deposits that were used to pledge to the banks for the issuance of secured letters of credit as security for other borrowings were recognized as other financial assets restricted bank deposits. Please refer to Note 6 (11) for information on other disclosures of borrowing, and Note 9 for the disclosures of opened and unused letters of credit.

9. Commitments and contingencies:

(1) Unrecognized contractual commitments

The Group’s unrecognized contractual commitments were as follows:

	December 31, 2024	December 31, 2023
Acquisition of property, plant and equipment	**$ 280,962**	**237,325**

(2) Outstanding standby letter of credit

	December 31, 2024	December 31, 2023
Outstanding standby letter of credit	**$ 410,363**	**694,433**

(Continued)

DARWIN PRECISIONS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

10. Losses Due to Major Disasters: None

11. Subsequent Events: None

12. Other:

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

By function / By nature	For the year ended December 31					
	2024			2023		
	Operating cost	Operating Expense	Total	Operating cost	Operating Expense	Total
Employee benefits						
Salary	1,839,251	565,632	2,404,883	1,881,560	556,399	2,437,959
Labor and health insurance	13,736	35,528	49,264	17,993	33,923	51,916
Pension	142,321	31,796	174,117	139,860	29,457	169,317
Remuneration of directors	-	11,437	11,437	-	11,327	11,327
Others	196,603	30,912	227,515	231,440	25,558	256,998
Depreciation	789,894	106,793	896,687	845,569	80,346	925,915
Amortization	-	-	-	-	-	-

13. Other disclosures:

(1) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the years ended December 31, 2024:

(i) Loans to other parties: Please refer to Table 1 attached.

(ii) Guarantees and endorsements for other parties:None.

(iii) Securities held as of December 31, 2024 (excluding investment in subsidiaries, associates and joint ventures): Please refer to Table 2 attached.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: Please refer to Table 3 attached.

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

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

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Please refer to Table 4 attached.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Please refer to Table 5 attached.

(ix) Trading in derivative instruments: Please refer to Note 6(2).

(x) Business relationships and significant intercompany transactions: Please refer to Table 6 attached.

(2) Re-investment business related information: Please refer to Table 7 attached.

(3) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information: Please refer to Table 8 attached.

(ii) Limitation on investment in Mainland China: Please refer to Table 8 attached.

(iii) Significant transactions:

The significant intercompany transactions with the subsidiary in Mainland China for the years ended December 31, 2024, which were eliminated in the preparation of consolidated financial statements, are disclosed in the " Information on significant transactions" and "Business relationships and significant intercompany transactions".

(4) Major shareholders:

Shareholding Shareholder's name	Shares	Percentage
AUO Corporation	190,107,961	28.56 %
Konly Venture Corp.	42,598,076	6.40 %
Ronly Venture Corp.	40,509,046	6.08 %

DARWIN PRECISIONS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

14. **Segment information:**

(1) General information

The reportable department of the Group is only the Optoelectronics Technology Department, which is engaged in the design, manufacturing and sales of LCD modules, backlight modules, LCD TVs and related components.

(2) Information about reportable segments and their measurement and reconciliations

The Group uses the internal management report that the chief operating decision maker reviews as the basis to determine resource allocation and make a performance evaluation. The internal management report includes profit before taxation, but not including any extraordinary activity and foreign exchange gain or losses because taxation, extraordinary activity, and foreign exchange gain or losses are managed on a group basis, and hence they are not able to be allocated to each reportable segment. In addition, all reportable segments include depreciation and amortization of significant non-cash items. The reportable amount is similar to that in the report used by the chief operating decision maker.

The operating segment accounting policies are similar to those described in Note 4 “significant accounting policies.

The Group’s operating department income, reportable department profit and loss and reportable assets are consistent with the consolidated report. Please refer to the consolidated balance sheet and consolidated income statement for details.

(3) Product and service information: Please refer to Note 6(17).

(4) Geographic information: Please refer to Note 6(17).

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

Geographical information	**2024**	**2023**
Non-current assets:		
Taiwan	$ 2,170,376	2,352,338
China	2,736,800	2,877,294
Total	**$ 4,907,176**	**5,229,632**

Non-current assets include property, plant and equipment, right-of-use assets and other assets, not including financial instruments, deferred tax assets and pension fund assets.

(5) Major customers

	2024	**2023**
A customer	$ 12,936,637	8,910,516
B customer	2,078,451	2,780,342
	$ 15,015,088	**11,690,858**

DARWIN PRECISIONS CORPORATION AND SUBSIDIARIES
Financings Provided
For the year ended December 31, 2024
(Amount in thousands of New Taiwan Dollars)

Table 1

No.	Financing Company	Borrowing Company	Financial Statement Account	Related party	Maximum the Balance for the Period	Ending balance (Note 3)	Amount Actually Drawn Down (Note 3)	Interest Rate	Nature of Financing	Transaction Amounts	Reasons for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 3)	Limits on Financing Company's Total Financing Amount (Note 3)
													Item	Value		
1	FPWJ	FTWJ	Other receivables from related parties	Yes	449,540	-	- (Note 2)	Adjusted by base lending rate of LPR of China	Needs for short-term financing	-	Operating capital	-	-	-	780,858 (Note 1)	780,858 (Note 1)

Note1: The limit amount for lending to a company shall not exceed the net worth of the lending company. The total amount for lending shall not exceed the net worth of the lending company.

Note2: All inter-company transactions among the Group have been eliminated in the consolidated financial statements.

Note3: Amounts denominated in foreign currencies are translated into New Taiwan Dollars using the exchange rates at the reporting date.

DARWIN PRECISIONS CORPORATION AND SUBSIDIARIES

Marketable Securities Held (Excluding Investment in Subsidiaries, Associates and Joint Ventures)

December 31, 2024

(Amount in thousands of New Taiwan Dollars and foreign currencies indicated, shares in thousands)

Table 2

Name of holder	Type and name of security	Relationship with the Securities Issuer	Financial Statement Account	Ending balance				Maximum Percentage of ownership for the period	Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value		
The Company	Stock-D8AI INC.	-	Financial assets at fair value through other comprehensive profit and loss－non-current	8,400	11,790	4.64 %	11,790	4.64 %	
The Company	Stock-DISIGN Incorporated	-	Financial assets at fair value through other comprehensive profit and loss－non-current	2	17,143	19.89 %	17,143	19.89 %	
The Company	STOCK-HUAI I PRECISION TECHNOLOGY CO., LTD.	-	Financial assets at fair value through other comprehensive profit and loss－non-current	2,914	75,152	10.00 %	75,152	10.00 %	
The Company	STOCK-EVERTRUST TECHNOLOGY LTD.	-	Financial assets at fair value through other comprehensive profit and loss－non-current	150	3,496	16.13 %	3,496	16.13 %	
The Company	STOCK-Chengdu Topway High-Tech Photoelectric Technology Co., Ltd.,	Related party	Financial assets at fair value through other comprehensive profit and loss－non-current	-	345,401	8.96 %	345,401	9.09 %	
The Company	STOCK-Anivance AI Corporatiion	Related party	Financial assets at fair value through other comprehensive profit and loss－non-current	2,500	40,000	12.82 %	40,000	12.82 %	

All marketable securities had not been pledged as collateral for borrowings, guarantees and others which restricted by agreement.

DARWIN PRECISIONS CORPORATION AND SUBSIDIARIES

Individual Marketable Securities Acquired or Disposed of with Accumulated Amount Exceeding NT$300 Million or 20% of the Paid-in Capital

For the year ended December 31, 2024

(Amount in thousands of New Taiwan Dollars)

Table 3

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance		Note
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Amount	Gain/ Loss on Disposal	Shares	Amount	
The Company	Chengdu Topway High-Tech Photoelectric Technology Co., Ltd.,	Financial assets at fair value through other comprehensive profit and loss－non-current	-	-	-	-	-	324,615	-	-	-	-	-	345,401	Note1&2

Note 1：The ending balance includes the recognition of investment gain (loss) and adjustments under the equity method.

Note 2：The acquisition in this period is the fair value of the asset exchange.

DARWIN PRECISIONS CORPORATION AND SUBSIDIARIES

Purchases from or Sales to Related Parties with Amounts Exceeding NT$100 Million or 20% of the Paid-in Capital

For the year ended December 31, 2024

(Amount in thousands of New Taiwan Dollars and foreign currencies indicated)

Table 4

Company Name	Counter party	Relationship	Transaction Details				Transactions with Terms Different from Others		Notes/Accounts Receivable (Payable)		Note
			Purchases/ Sales	Amount	Percentage of Total Purchases /Sales	Credit Terms	Unit Price (Note 2)	Credit Terms (Note 2)	Ending Balance	Percentage of Total Notes /Accounts Receivable (Payable)	
The Company	DPXM	Grandson of DPLB	Purchases	1,843,941	24 %	EOM 90 Days	-		(545,123)	(29)%	Note 1
〃	FTWJ	Grandson of FHVI	〃	4,074,501	54 %	EOM 90 Days	-		(1,245,189)	(65)%	〃
FTWJ	Lextar	Substantive related party	〃	CNY 57,213	11 %	EOM 120 Days	-		CNY (22,000)	(5)%	
The Company	AUO	Ultimate Parent company	Sales	(2,078,451)	(27)%	EOM 60 Days	-		244,171	13 %	
〃	AUOSZ	Grandson of AUO	〃	(1,422,997)	(18)%	EOM 120 Days	-		624,252	33 %	
〃	AUOXM	Grandson of AUO	〃	(1,643,861)	(21)%	EOM 120 Days	-		616,826	33 %	
〃	AUOKS	Grandson of AUO	〃	(539,589)	(7)%	EOM 120 Days	-		188,582	10 %	
DPXM	AUOXM	Grandson of AUO	〃	CNY (24,456)	(1)%	EOM 120 Days	-		CNY 6,771	2 %	
〃	The Company	Parent company	〃	CNY (409,186)	(12)%	EOM 90 Days	-		CNY 120,391	28 %	Note 1
FTWJ	The Company	Parent company	〃	CNY (904,877)	(100)%	EOM 90 Days	-		CNY 273,625	100 %	〃

Note 1：All inter-company transactions among the company and its subsidiaries have been eliminated in the consolidated financial statements.

Note 2：Transaction terms with related parties were similar to those with third parties. Except for those particular transactions with no similar transactions to compare with, their transaction terms were determined based on mutual agreements.

DARWIN PRECISIONS CORPORATION AND SUBSIDIARIES

Receivables from Related Parties with Amounts Exceeding NT$100 Million or 20% of the Paid-in Capital

December 31, 2024

(Amount in thousands of New Taiwan Dollars and foreign currencies indicated)

Table 5

Company Name	Counter party	Relationship	Ending Balance of Receivables (Note 1,2)	Turnover Rate	Overdue Receivables		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
The Company	AUO	Ultimate parent company	274,171	Note1	14,251	Continuous collection	-	-
〃	AUOSZ	Grandson of AUO	624,252	2.60	-	-	-	-
〃	AUOXM	Grandson of AUO	616,826	3.00	-	-	-	-
〃	AUOKS	Grandson of AUO	188,582	2.30	-	-	-	-
〃	FTWJ	Grandson of the FHVI	951,957	Note 1	-	-	276,308	-
DPXM	The Company	Parent company	CNY 125,400	Note 1	-	-	-	-
FTWJ	The Company	Parent company	CNY 553,896	Note 1	-	-	CNY 65,825	-

Note1：Including other receivables from transactions not related to ordinary sales.
Note2：All inter-company transactions among the Company and its subsidiaries have been eliminated in the consolidated financial statements.

DARWIN PRECISIONS CORPORATION AND SUBSIDIARIES
Business Relationship and Significant Intercompany Transactions
For the year ended December 31, 2024
(Amount in thousands of New Taiwan Dollars and foreign currencies indicated)

Table 6

No.	Company Name	Counterparty	Nature of Relationship (Note 1)	Transactions				
				Financial Statement Account	Amount (Note 2 and 3)		Trading Terms	Percentage of Consolidated Net Revenue or Total Assets
1	DPXM	The Company	2	Net revenue	CNY	409,186	No significant difference	9 %
2	FTWJ	The Company	2	Net revenue	CNY	904,877	〃	19 %
0	The Company	FTWJ	1	Accounts receivable		951,957	〃	5 %
1	DPXM	The Company	2	Accounts receivable	CNY	125,400	〃	3 %
2	FTWJ	The Company	2	Accounts receivable	CNY	553,896	〃	14 %

Note1：Transactions labeled as follows:
1. Represents the transactions form parent company to subsidiaries.
2. Represents the transactions from subsidiaries to parent company.
3. Represents the transactions between subsidiaries.

Note2：This table discloses the information on inter-company sales and receivables which are accounted for 1% or more of the consolidated net revenue or the consolidated total assets, respectively.

Note3：All inter-company transactions have been eliminated in the consolidated financial statements.

DARWIN PRECISIONS CORPORATION AND SUBSIDIARIES

Information on Investees (Excluding Information on Investment in Mainland China)

For the year ended December 31, 2024

(Amount in thousands of New Taiwan Dollars and foreign currencies indicated, and shares in thousands)

Table 7

Investor Company	Investee Company	Location	Main Activities	Original Investment Amount		December 31, 2024			Maximum Percentage of ownership during the year	Net Income (Loss) of Investee	Investor's Share of Profit (Loss) of Investee	Note
				December 31, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying Amount				
The Company	DPLB	Malaysia	Holding company	3,877,666	3,877,666	76,846	100.00 %	5,311,930	100.00 %	442,472	453,034	Subsidiary (Note 2)
"	FHVI	BVI	"	2,362,321	2,362,321	22,006	100.00 %	2,195,696	100.00 %	141,120	137,485	Subsidiary (Note 1)
"	FFMI	Mauritius	"	274,700	274,700	653	100.00 %	138,387	100.00 %	11,771	11,834	Subsidiary (Note 1)
"	Darwin Summit Corporation Ltd.	Thailand	International trade	3,740	3,740	40	40.00 %	12,836	40.00 %	(1,134)	(454)	Associate
"	Shine Biomedical Technology Corporation	R.O.C.	Development, design, manufacture and trading of facial masks and cosmetics	53,051	36,720	5,305	33.58 %	46,925	34.00 %	(18,129)	(6,105)	Associate
"	UFO Touch Technology Corporation	"	Manufacturing and sales of electronics components, computer and peripheral equipment	5,000	-	500	100.00 %	5,007	100.00 %	7	7	Subsidiary
"	MicroDoctor Biomedical Corporation	"	Wholesale and retail of cosmetics	5,000	-	500	100.00 %	5,034	100.00 %	34	34	Subsidiary

DARWIN PRECISIONS CORPORATION AND SUBSIDIARIES

Information on Investees (Excluding Information on Investment in Mainland China)

For the year ended December 31, 2024

(Amount in thousands of New Taiwan Dollars and foreign currencies indicated, and shares in thousands)

Investor Company	Investee Company	Location	Main Activities	Original Investment Amount		December 31, 2024			Maximum Percentage of ownership during the year	Net Income (Loss) of Investee	Investor's Share of Profit (Loss) of Investee	Note
				December 31, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying Amount				
The Company	OneSmart Solution Corporation	R.O.C.	Services of information software, data processing and electronic information supply	5,000	-	500	100.00 %	5,011	100.00 %	11	11	Subsidiary
DPLB	DPHK	Hong Kong	Holding company	USD 87,785	USD 87,785	10	100.00 %	USD163,549	100.00 %	USD 13,776	USD 13,776	Subsidiary (Note 3)
FHVI	FTMI	Mauritius	"	USD 6,503	USD 6,503	6,503	100.00 %	USD 52,629	100.00 %	USD 4,087	USD 4,087	Subsidiary
"	FWSA	Samoa	"	USD 19,000	USD 19,000	19,000	100.00 %	USD 15,986	100.00 %	USD 307	USD 307	Subsidiary

Note 1：The difference is the amortization of the difference between the investment cost and the net equity value.
Note 2：The difference is the amortization of the difference between the upstream unrealized gross profit and the investment cost and the net equity value.
Note 3：The registration of the alteration of DPHK's common stock has not been completed.

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Information on Investment in Mainland China

For the year ended December 31, 2024

(Amount in thousands of New Taiwan Dollars and foreign currencies indicated)

Table 8

1. Related information on investment in Mainland China:

Investee Company	Main Activities	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31,2024	Net Income of Investee (Notes 4)	Ownership through Direct or Indirect Investment	Maximum Percentage of ownership for the period	Investor's Share of Profit (Loss) of Investee (Notes 4)	Carrying Amount of the Investment as of December 31, 2024	Accumulated Inward Remittance of Earnings as of December 31,2024
					Outflow	Inflow							
DPXM	Manufacturing and sales of liquid crystal products、backlight modules and related parts	2,290,190 USD 70,000	Note 1	2,290,190 USD 70,000	-	-	2,290,190 USD 70,000	442,472 USD 13,776	100.00 %	100.00 %	442,472 USD 13,776	5,350,834 USD 163,549	2,057,708 USD 62,894
FTWJ	Manufacturing and sales of backlight module and related parts	1,145,095 USD 35,000 (Note 5)	Note 1	212,661 USD 6,500	-	-	212,661 USD 6,500	126,070 USD 3,925	100.00 %	100.00 %	126,070 USD 3,925	1,463,968 USD 44,746	460,477 USD 14,075
FPWJ	Manufacturing , sales and trading of precision plastic parts	948,793 USD 29,000 (Note 6)	Note 1	621,623 USD 19,000	-	-	621,623 USD 19,000	15,050 USD 469	100.00 %	100.00 %	15,050 USD 469	780,858 USD 23,867	-
FHWJ	Manufacturing and sales of backlight module and related parts	212,661 USD 6,500	Note 1	268,279 USD 8,200	-	-	268,279 USD 8,200	11,771 USD 366	100.00 %	100.00 %	11,771 USD 366	88,789 USD 2,714	-

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2. Upper limit on investment in Mainland China：

Accumulated Investment in Mainland China as of December 31, 2024(Note 3)	Investment Amounts Authorized by the Investment Commission, MOEA(Notes 3 and 7)	Upper Limit on Investment Stipulated by the Investment Commission, MOEA (Note 2)
3,392,753 (USD103,700)	5,857,395 (USD167,410 and CNY85,000)	5,769,082

Note1：Indirect investments in Mainland China through companies registered in a third region.
Note2：Pursuant to the Regulations Governing Permission for Investment and Technical Cooperation in the Mainland Area, the Company's accumulated investments in Mainland China did not exceed the upper limit on investment amount or ratio stipulated by the Investment Commission, Ministry of Economic Affairs ("MOEA").
Note3：If the relevant figures in this table involve foreign currencies, they will be translated into New Taiwan dollars based on the exchange rate on the reporting date. If they are assets and liabilities, they will be translated at the spot exchange rate; if they are profit or loss accounts, they will be translated at the average exchange rate.
Note4：Amounts were recognized based on the investees' audited financial statements.
Note5：The amount of paid-in capital includes the capitalization of retained earnings amounting to USD28,500 thousand for the years from 2005 to 2007.
Note6：The amount of paid-in capital includes the capital injection of USD10,000 thousand from the offshore holding company, which was originally from FTWJ's appropriation of earnings.
Note7：The accumulated investment amounts authorized by the Investment Commission, MOEA is USD248,526 thousand (including the capitalization of retained earnings of USD81,116 thousand). In addition, the repatriation of surplus USD194,050 thousand can be used to deduct the accumulated amount of investment.
Note8：Excluding the cash capital increase of CNY 85,000 thousand in Chengdu Topway High-Tech Photoelectric Technology Co., Ltd., which is accounted for as a financial asset measured at fair value through other comprehensive income (FVOCI) - non-current. For related information, please refer to Table 2.