Stock code: 1598

DYACO INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2024 and 2023 and Independent Auditors' Report

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The independent auditors' 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' report and consolidated financial statements, the Chinese version shall prevail.

Table of Contents

Content		Page
I.	Cover Page	1
II.	Table of Contents	2
III.	Representation Letter	3
IV.	Independent Auditors' Report	4～7
V.	Consolidated Balance Sheets	8
VI.	Consolidated Statements of Comprehensive Income	9
VII.	Consolidated Statements of Changes in Equity	10
VIII.	Consolidated Statements of Cash Flows	11～12
IX.	Notes to Consolidated Financial Statements	
	(I) Company History	13
	(II) Approval Date and Procedures of the Consolidated Financial Statements	13
	(III) New Standards, Amendments and Interpretations adopted	13～15
	(IV) Summary of Material Accounting Policies	15～32
	(V) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	32～33
	(VI) Explanation to Significant Accounts	34～73
	(VII) Related-Party Transactions	73～74
	(VIII) Pledged Assets	74
	(IX) Commitments and contingencies	74
	(X) Losses Due to Major Disasters	74
	(XI) Subsequent Events	75
	(XII) Other	75
	(XIII) Other Disclosures	
	1. Information on significant transactions	76～83
	2. Information on investees	83
	3. Information on investment in Mainland China	84
	4. Major shareholders	84~85
	(XIV) Segment Information	85～88

Representation Letter

The entities that are required to be included in the consolidated financial statements of the Corporation for the year ended December 31, 2024 (from January 1, 2024 to 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. Furthermore, all relevant information required to be disclosed in the consolidated financial statements of affiliated enterprises has already been disclosed in the aforementioned consolidated financial statements of the parent and subsidiary companies. Therefore, a separate set of consolidated financial statements for affiliated enterprises will not be prepared.

Hereby declared.

Company Name: Dyaco International Inc.
Chairman: Lin, Yu-Ying
Date: March 28, 2025

Independent Auditors' Report

To the Board of Directors of Dyaco International Inc.

Opinion

We have audited the accompanying consolidated financial statements of Dyaco International Inc. (the "Corporation") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

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 its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (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 the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Impairment of Goodwill

Accounting policies related to goodwill are detailed in Notes IV(XIII) and (XIV) to the consolidated financial statements. Significant accounting estimates and judgments related to goodwill can be found in Note V(II), and the assessment of goodwill impairment is disclosed in Note VI(XIV) to the consolidated financial statements.

Description of Key Audit Matter:

Goodwill arose from business combinations undertaken by the Dyaco Group. As of December 31, 2024, the carrying amount of goodwill was $588,898 thousand. In accordance with International Accounting Standard 36, Impairment of Assets, goodwill acquired in a business combination must be tested for impairment at least annually. Due to the materiality of the goodwill balance and the significant management judgment involved in the impairment assessment, the evaluation of goodwill impairment was considered a key audit matter in our audit of the consolidated financial statements of Dyaco Group.

Our primary audit procedures performed included the following:

1. Evaluated the professional competence, qualifications, and objectivity of the external valuation specialists engaged by management, and verified their credentials to ensure their independence and objectivity or limit the scope of their work.

2. Engaged our internal valuation specialists to assist in reviewing the report issued by the external valuation specialists, including assessing the appropriateness of the valuation methodology, models used, and the reasonableness of the assumptions regarding the weighted average cost of capital (WACC).

3. Obtained an understanding of key assumptions used by management, including historical revenue, revenue growth rate, gross margin, operational performance, and comparisons of historical budgets to actual results, to assess the accuracy of prior forecasts and the reliability of management's projections for future periods, in order to evaluate the reasonableness of the underlying assumptions.

4. Based on the above understanding, evaluation, and recalculations, we assessed whether any indicators of impairment existed in relation to the goodwill arising from the business combination.

Other matters

The consolidated financial statements of Dyaco International Inc and its subsidiaries for the year ended December 31, 2023 were audited by another CPA firm, which issued an audit report with an unqualified opinion on March 29, 2024.

We have also audited the parent company only financial statements of Dyaco International Inc. as of and for the years ended December 31, 2024 and 2023 on which we and the other CPA firm have issued unmodified opinions, respectively, for your reference.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 maintain 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 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 for the year ended December 31, 2024 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 audits resulting in this independent auditors' report are Chen, Chung-Che and Tsou, Yi-Yun.

KPMG
Taipei, Taiwan (Republic of China)
March 28, 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with 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 applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

Dyaco International Inc. and subsidiaries

Consolidated Balance Sheets

DECEMBER 31, 2024 AND 2023

(Expressed in Thousands of New Taiwan Dollars)

Code	ASSETS	December 31,2024 Amount	%	December 31,2023 Amount	%
	CURRENT ASSETS:				
1100	Cash and cash equivalents (Note VI(I))	$ 1,159,244	10	1,158,512	10
1110	Financial assets at fair value through profit or loss (Note VI(II))	43,117	-	16,555	-
1136	Financial assets at amortized cost (Note VI(IV))	14,532	-	83,095	1
1150	Notes receivable (Note VI(V) and (XXV))	1,892	-	984	-
1170	Accounts receivable (Note VI(V) and (XXV))	1,208,714	11	1,071,044	9
1200	Other receivables (Note VI(VI))	17,808	-	15,099	-
1220	Current tax assets	37,858	-	93,998	1
130X	Inventories (Note VI(VII))	2,250,910	21	2,474,495	22
1410	Prepayments	237,280	3	187,734	2
1470	Other current assets (Note VIII)	44,649	-	12,395	-
		5,016,004	45	5,113,911	45
	NON-CURRENT ASSETS:				
1510	Financial assets at fair value through profit or loss (Note VI(II))	-	-	118,124	1
1517	Financial assets at fair value through other comprehensive income (Note VI(III))	36,813	-	50,970	1
1535	Financial assets at amortized cost (Note VI(IV))	32,785	-	6,141	-
1550	Investments accounted for using equity method (Note VI(VIII))	6,136	-	6,368	-
1600	Property, plant and equipment (Notes VI (XI) ,VII and VIII)	3,934,280	36	3,755,859	33
1755	Right-of-use assets (Notes VI((XII) and VIII)	317,520	3	286,306	3
1760	Investment properties (Notes VI(XIII) and VIII)	21,452	-	25,258	-
1821	Intangible assets (Notes VI(XIV) and VII)	1,318,107	12	1,315,161	12
1840	Deferred income tax assets (Notes VI(XXI))	407,007	4	493,769	4
1915	Prepayments for equipment	2,040	-	3,679	-
1920	Refundable deposits	26,881	-	78,064	1
1990	Other non-current assets (Note VIII)	4,773	-	35,564	-
		6,107,794	55	6,175,263	55
	TOTAL	**$ 11,123,798**	**100**	**11,289,174**	**100**

Code	LIABILITIES AND EQUITY	December 31,2024 Amount	%	December 31,2023 Amount	%
	CURRENT LIABILITIES:				
2100	Short-term borrowings (Notes VI(XV) and VIII)	$ 1,953,595	18	2,118,015	19
2130	Contract liabilities (Note VI(XXV))	73,924	1	145,721	1
2150	Notes payable	31,305	-	43,705	1
2170	Accounts payable	1,096,460	10	941,012	8
2200	Other payables	394,248	4	457,690	4
2220	Other payables to related parties (Note VII)	-	-	8,598	-
2230	Current income tax liabilities	55,354	-	7,066	-
2250	Provisions	13,338	-	12,044	-
2280	Lease liabilities (Note VI(XVIII))	17,581	-	11,613	-
2321	Current portion of bonds payable (Notes VI(XVII) and VIII	-	-	1,200	-
2322	Current portion of long-term borrowings (Notes VI(XVI) and VIII)	271,439	2	296,527	3
2399	Other current liabilities	25,609	-	38,492	-
		3,932,853	35	4,081,683	36
	NON-CURRENT LIABILITIES:				
2540	Long-term borrowings (Notes VI(XVI) and VIII)	1,830,671	16	1,918,802	17
2570	Deferred tax liabilities (Notes VI(XXI))	311,978	3	423,526	4
2580	Lease liabilities (Note VI(XVIII))	40,205	-	13,926	-
2610	Long-term payable	44,014	-	58,829	1
2622	Other payables to related parties	-	1	7,369	-
2640	Net defined benefit liabilities (Notes VI(XX))	10,521	-	11,647	-
2645	Guarantee deposits received	1,975	-	1,715	-
		2,239,364	20	2,435,814	22
	Total liabilities	6,172,217	55	6,517,497	58
	EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (NOTE VI(XXII)):				
3110	Ordinary shares	1,671,420	14	1,596,097	14
3200	Capital surplus	2,684,014	24	2,756,721	25
3300	Retained earnings	628,320	6	555,650	5
3400	Other equity interests	(26,103)	-	(125,684)	(1)
3500	Treasury shares	(408,690)	(3)	(408,690)	(4)
	Total equity attributable to owners of parent	4,548,961	41	4,374,094	39
36XX	Non-controlling interests (Note VI(X))	402,620	4	397,583	3
	Total equity	4,951,581	45	4,771,677	42
	TOTAL	**$ 11,123,798**	**100**	**11,289,174**	**100**

Seeing accompanying notes to financial statements

Dyaco International Inc. and subsidiaries

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		2024 Amount	2024 %	2023 Amount	2023 %
4000	**NET SALES REVENUE (Notes VI(XXV))**	$ 7,217,077	100	7,786,471	100
5000	**OPERATING COST (Notes VI(VII))**	4,639,826	64	5,119,386	66
5950	**GROSS PROFIT**	2,577,251	36	2,667,085	34
	OPERATING EXPENSES (Note VII):				
6100	Marketing expenses	1,569,600	22	1,834,475	24
6200	General and administrative expenses	885,640	12	815,672	10
6300	Research and development expenses	124,595	2	118,559	1
6450	Expected credit (gain) loss (Note VI(V) and XXVIII)	(32,458)	-	(3,198)	-
	Total operating expenses	2,547,377	36	2,765,508	35
	NET OPERATING INCOME (LOSS)	29,874	-	(98,423)	(1)
	NON-OPERATING INCOME AND EXPENSES (Note VI(XXVII)):				
7100	Interest income	13,731	-	13,404	-
7010	Other income	70,748	1	34,940	-
7020	Other gain and loss	62,471	2	(21,123)	-
7050	Finance costs (Notes VI(XVII) and (XVIII))	(97,664)	(1)	(97,894)	(1)
7370	Share of profit (loss) of associates and joint ventures accounted for using equity method (Notes VI(VIII))	(323)	-	(335)	-
		48,963	2	(71,008)	(1)
	PROFIT (LOSS) BEFORE INCOME TAX	78,837	2	(169,431)	(2)
7950	**Less: INCOME TAX EXPENSE (BENEFIT)(Note VI(XXI))**	8,954	-	(59,059)	1
	NET LOSS	69,883	2	(110,372)	(1)
8300	**OTHER COMPREHENSIVE INCOME (LOSS):**				
8310	**Items that will not be reclassified subsequently to profit or loss:**				
8311	Gains on remeasurements of defined benefit plans (Note VI(XX))	897	-	4,655	-
8316	Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(14,266)	-	(14,661)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	179	-	931	-
	Total Items that will not be reclassified subsequently to profit or loss	(13,548)	-	(10,937)	-
8360	**Items that may be reclassified subsequently to profit or loss:**				
8361	Exchange differences on translating foreign operations	124,463	2	7,632	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	124,463	2	7,632	-
8300	**OTHER COMPREHENSIVE INCOME (LOSS)**	110,915	2	(3,305)	-
	TOTAL COMPREHENSIVE INCOME (LOSS)	**$ 180,798**	**4**	**(113,677)**	**(1)**
	NET PROFIT (LOSS) ATTRIBUTABLE TO:				
8610	Owners of the Corporation	$ 71,952	2	(122,770)	(1)
8620	Non-controlling interests	(2,069)	-	12,398	-
		$ 69,883	**2**	**(110,372)**	**(1)**
	TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
8710	Owners of the Corporation	$ 172,251	3	(118,553)	(1)
8720	Non-controlling interests	8,547	1	4,876	-
		$ 180,798	**4**	**(113,677)**	**(1)**
	EARNINGS (LOSS) PER SHARE (Note VI(XXIV))				
9750	**Basic Earnings (Loss) Per Share (New Taiwan Dollar)**	**$ 0.45**		**(0.88)**	
9850	**Diluted Earnings (Loss) Per Share (New Taiwan Dollar)**	**$ 0.45**			

Seeing accompanying notes to financial statements

Dyaco International Inc. and subsidiaries

Consolidated Statements of Changes in Equity

For the Years Ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Other Equity Interests												
	Share Capital		Retained Earnings				Other Equity Interests						
	Ordinary share	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total retained earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Treasury Shares	Total other equity interests	Non-controlling Interests	Total equity
BALANCE AT JANUARY 1, 2023	$ 1,341,147	2,142,919	329,002	238,087	170,420	737,509	(118,910)	(7,267)	(126,177)	(426,290)	3,669,108	394,852	4,063,960
Net loss	-	-	-	-	(122,770)	(122,770)	-	-	-	-	(122,770)	12,398	(110,372)
Other comprehensive income (loss)	-	-	-	-	3,724	3,724	15,154	(14,661)	493	-	4,217	(7,522)	(3,305)
Total comprehensive income (loss)	-	-	-	-	(119,046)	(119,046)	15,154	(14,661)	493	-	(118,553)	4,876	(113,677)
Appropriation and distribution of retained earnings:													
Cash dividends	-	-	-	-	(62,813)	(62,813)	-	-	-	-	(62,813)	-	(62,813)
Reversal of special reserve	-	-	-	(111,910)	111,910	-	-	-	-	-	-	-	-
Issuance of new ordinary shares for cash	250,000	572,332	-	-	-	-	-	-	-	-	822,332	-	822,332
Organizations Reorganization	-	(702)	-	-	-	-	-	-	-	-	(702)	702	-
Treasury shares transferred to employees	-	(2,973)	-	-	-	-	-	-	-	17,600	14,627	-	14,627
Changes in percentage of ownership interests in subsidiaries	-	3,321	-	-	-	-	-	-	-	-	3,321	(3,321)	-
Issuance of ordinary shares under employee share options	4,950	41,824	-	-	-	-	-	-	-	-	46,774	474	47,248
BALANCE AT DECEMBER 31, 2023	1,596,097	2,756,721	329,002	126,177	100,471	555,650	(103,756)	(21,928)	(125,684)	(408,690)	4,374,094	397,583	4,771,677
Net Profit	-	-	-	-	71,952	71,952	-	-	-	-	71,952	(2,069)	69,883
Other comprehensive income (loss)	-	-	-	-	718	718	113,847	(14,266)	99,581	-	100,299	10,616	110,915
Total comprehensive income (loss)	-	-	-	-	72,670	72,670	113,847	(14,266)	99,581	-	172,251	8,547	180,798
Appropriation and distribution of earnings:													
Reversal of special reserve	-	-	-	(492)	492	-	-	-	-	-	-	-	-
Stock dividends from capital surplus	75,323	(75,323)	-	-	-	-	-	-	-	-	-	-	-
Issuance of ordinary shares under employee share options	-	114	-	-	-	-	-	-	-	-	114	(3,538)	(3,424)
Changes in non-controlling interests	-	2,502	-	-	-	-	-	-	-	-	2,502	28	2,530
BALANCE AT DECEMBER 31, 2024	$ 1,671,420	2,684,014	329,002	125,685	173,633	628,320	10,091	(36,194)	(26,103)	(408,690)	4,548,961	402,620	4,951,581

Seeing accompanying notes to financial statements

Dyaco International Inc. 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 (USED IN) OPERATING ACTIVITIES		
Profit (Loss) before income tax	$ 78,837	(169,431)
Adjustments :		
Adjustments to reconcile profit (loss)：		
Depreciation expense	192,914	183,356
Amortization expense	85,425	82,791
Expected credit gain recognized	(32,458)	(3,198)
Net losses on financial assets or liabilities at fair value through profit or loss	119,062	30,660
Interest expense	97,664	97,894
Interest income	(13,731)	(13,404)
Share-based payments	2,530	29,972
Share of loss of associates and joint venture accounted for using the equity method	323	335
Loss on disposal of property, plant and equipment	137	1,182
Loss on inventories valuation and obsolescence	12,313	65,465
Unrealized gain on foreign currency exchange	(151,523)	(100,146)
Gain on redemption of bonds payable	-	(270)
Gain on lease modification	(352)	-
Total adjustments to reconcile profit (loss)	312,304	374,637
Changes in operating assets and liabilities:		
Changes in operating assets, net:		
Increase in notes receivable	(913)	(44)
Decrease (increase) in accounts receivable	(51,230)	29,729
Decrease (increase) in other receivables	(2,478)	50,077
Decrease in other receivable from related parties	-	24,909
Decrease in inventories	328,898	582,662
Decrease (increase) in prepayments	(49,691)	27,166
Increase in other current assets	(32,253)	(1,777)
Total changes in operating assets, net	192,333	712,722
Changes in operating liabilities, net:		
Decrease in contract liabilities	(71,798)	(31,846)
Decrease in notes payable	(12,400)	(2,412)
Increase (decrease) in accounts payable	113,044	(78,231)
Decrease in others accounts payable	(78,218)	(43,005)
Decrease in other payables to related parties	(15,967)	-
Increase (decrease) in provisions	998	(1,479)
Decrease in other current liabilities	(12,883)	(2,497)
Decrease in net defined benefit liabilities	(229)	(165)
Total changes in operating liabilities, net	(77,453)	(159,635)
Total change in operating assets and liabilities	114,880	553,087
Total adjustments	427,184	927,724
Cash inflow generated from operations	506,021	758,293
Interest received	13,731	13,404
Interest paid	(98,000)	(113,647)
Income tax refunded (paid)	70,508	(41,440)
Net cash generated from operating activities	492,260	616,610

(Continued)

Dyaco International Inc. 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 INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	(41,130)	-
Proceeds from disposal of financial assets at amortized cost	84,236	182,052
Acquisition of financial assets at fair value through profit or loss	(27,500)	(17,400)
Acquisition of property, plant and equipment	(288,908)	(218,197)
Proceeds from disposal of property, plant and equipment	2,662	12
Decrease (increase) in refundable deposits	54,697	(41,752)
Acquisition of intangible assets	(28,945)	(45,901)
Decrease (increase) in other non-current assets	27,632	(25,322)
Net cash used in investing activities	(217,256)	(166,508)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	6,590,985	-
Decrease in short-term borrowings	(6,758,467)	(300,981)
Repayment of bonds payable	(1,200)	(1,407,553)
Proceeds from long-term borrowings	1,387,722	765,513
Repayments of long-term borrowings	(1,510,993)	(223,637)
Increase (decrease) in guarantee deposits received	192	(1,439)
Payments of lease liabilities	(19,225)	(20,781)
Dividends paid to owners of the Corporation	-	(62,813)
Issuance of new ordinary shares for cash	-	822,332
Exercise of employee stock options	-	17,276
Proceeds from treasury shares transferred to employees	-	14,627
Changes in non-controlling interests	(3,424)	-
Net cash used in financing activities	(314,410)	(397,456)
Effects of exchange rate changes on the balance of cash held in foreign currencies	40,138	(14,915)
Increase in current cash and cash equivalents	732	37,731
Cash and cash equivalents at beginning of period	1,158,512	1,120,781
Cash and cash equivalents at end of period	$ 1,159,244	1,158,512

(Concluded)

Seeing accompanying notes to financial statements

Dyaco International Inc. and subsidiaries

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2024 and 2023

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

I. Company History

Dyaco International Inc. (hereinafter referred to as the "Corporation") was established on June 2, 1990 under the approval of the Ministry of Economic Affairs, ROC, with the registered address at 12th Floor, No. 111, Songjiang Road, Zhongshan District, Taipei City. The Corporation and its subsidiaries (hereinafter collectively referred to as the "Group") mainly manufactures, imports, exports and sells sports equipment and outdoor furniture. Please refer to Note 14.

The Corporation's shares have been listed on the Taiwan Stock Exchange since September 20, 2016.

II. Approval Date and Procedures of the Consolidated Financial Statements

The consolidated financial statements were approved by the Corporation's board of directors on March 12, 2025.

III. New Standards, Amendments and Interpretations adopted

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

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

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

(II) The impact of IFRS Accounting Standards 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 IAS 21 "Lack of Exchangeability"

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

The 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 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
- 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 IFRSs Accounting Standards
- Amendments to IFRS 9 and IFRS 7 “Reliance on Nature Power Contracts”

IV. Summary of Material Accounting Policies

The summary of significant accounting policies adopted in the preparation of these consolidated financial statements is as follows. The following accounting policies have been consistently applied to all periods presented in these consolidated financial statements.

(I) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

(II) Basis of preparation

1. Measurement Basis

Except for the significant balance sheet items specified below, these consolidated financial statements have been prepared on a historical cost basis:

(1) Financial assets and financial liabilities measured at fair value through profit or loss;
(2) Financial assets measured at fair value through other comprehensive income; and
(3) Net defined benefit liabilities, which are measured based on the fair value of the retirement fund assets, less the present value of the defined benefit obligation and the capped effect as described in Note IV (XVII).

2. Functional and Presentation Currency

Each component of the consolidated group uses the currency of its primary economic environment as its functional currency. These consolidated financial statements are presented in the Corporation’s functional currency, New Taiwan Dollars. Unless otherwise stated, all financial information expressed in New Taiwan Dollars is presented in thousands.

(III) Basis of consolidation

1. Consolidated Financial Reporting Principles

The consolidated financial statements include the Corporation and the entities controlled by the Corporation (i.e., subsidiaries). Control is established when the Corporation is exposed to variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee.

From the date on which control over a subsidiary is obtained, its financial statements are consolidated until the date on which control is lost. Transactions, balances, and any unrealized gains and losses between entities within the consolidated group are fully eliminated when preparing the consolidated financial statements. The total comprehensive income of subsidiaries is allocated separately between the owners of the Corporation and non-controlling interests, even if non-controlling interests consequently have a deficit balance.

The financial statements of the subsidiaries have been appropriately adjusted to ensure that their accounting policies are consistent with those used by the consolidated group.

Changes in the equity of subsidiaries that do not result in the loss of control are treated as transactions with the owners of the Corporation. The difference between the adjustments to non-controlling interests and the fair value of the consideration paid or received is directly recognized in equity and attributed to the owners of the Corporation.

2. List of subsidiaries in the consolidated financial statements:

			Proportion of Ownership		
Investor	**Investee**	**Nature of Activities**	**December 31, 2024**	**December 31, 2023**	**Remark**
The Corporation	Dyaco International Holding Limited	Investment	100.00%	100.00%	
The Corporation	Dyaco Europe GmbH	Import, export and selling	100.00%	100.00%	Note 2
The Corporation	Daan Health Management Consulting Co., Ltd	Rental of medical equipment	100.00%	100.00%	
The Corporation	Dyaco Japan Co., Ltd.	Import, export and selling	100.00%	100.00%	
The Corporation	Wing Long Co., Ltd.	Import, export and selling	100.00%	100.00%	
The Corporation	Dyaco UK Ltd.	Import, export and selling	99.11%	96.50%	Note 3 and 4
The Corporation	SOLE INC.	Investment	100.00%	100.00%	
The Corporation	President Plastic Products MFG. Co., Ltd.	Manufacturing and selling	100.00%	100.00%	
The Corporation	Cikayda Inc	Manufacturing and selling	100.00%	100.00%	
The Corporation	CITY SPORTS (THAILAND) CO., LTD	Fitness equipment selling	44.00%	44.00%	Note VI
The Corporation	Spirit Manufacturing Inc.	Import, export and selling	100.00%	100.00%	Note 7
The Corporation	Dyaco Canada Inc.	Import, export and selling	100.00%	100.00%	
The Corporation	IUVO Industry Co., Ltd.	Electric-assisted bicycle manufacturer	91.50%	91.50%	Note 5
SOLE INC.	Fitness Equipment Services, LLC.	Import, export and selling	100.00%	100.00%	
Spirit Manufacturing Inc.	Spirit Direct, LLC.	Import, export and selling	100.00%	100.00%	
Dyaco Europe GmbH	CARDIO fitness GmbH & Co KG	Import, export and selling	100.00%	100.00%	
Dyaco Europe GmbH	CARDIO fitness Verwaltungs GmbH	Investment	100.00%	100.00%	
Dyaco UK Ltd.	Neutron Ventures Ltd	Sporting goods online selling	100.00%	100.00%	Note 3 and 4
Neutron Ventrues Ltd	Interactive Online Commerce Ltd	Investment	100.00%	100.00%	
Neutron Ventrues Ltd	Neutron Ventures Poland S.p z.o.o	Service industry	100.00%	100.00%	
Interactive Online Commerce Ltd	Sweatband.com Ltd	Sporting goods selling	100.00%	100.00%	
Dyaco International Holding Limited	Fuel Spirit International Inc.	Import, export and selling	100.00%	100.00%	Note 7
Dyaco International Holding Limited	Shelton Corporation (Jiaxing), Ltd.	Manufacturing and selling	60.00%	60.00%	
Dyaco International Holding Limited	Dyaco (Shanghai) Trading Co., Ltd.	Import, export and selling	100.00%	100.00%	
Dyaco (Shanghai) Trading Co., Ltd.	Dyaco Health Technology (Beijing) Co., Ltd.	Health management consultation	- %	- %	Note 1

Note 1: In July 2023, Dyaco Health Technology (Beijing) Co., Ltd. has been completed liquidation and cancellation.

Note 2: In March 2023, the Group acquired interest of subsidiary, Dyaco Europe GmbH for $61,332 thousand.

Note 3: In March 2023, the Group acquired interest for $69,673 thousand, the Group did not subscribe according to its shareholding ratio. Thus, the shareholding ratio increased from 80% to 95%. After the Corporation went through a share exchange reorganization on July 1, 2023, Neutron Ventures Ltd. are directly 100% held by Dyaco UK Ltd.

Note 4: Dyaco UK Ltd. issued additional new shares for $121,145 thousand in July 2023, with parent company and Neutron Ventures Ltd.'s non-controlling interests exchange for 100% equity of Neutron Ventures Ltd. The Group held the Dyaco UK Ltd. shareholding ratio decreased from 100% to 96.5%. In January 2024, the Group acquired the equity of Dyaco UK Ltd. from non-controlling equity interest. Thus, the shareholding ratio increased from 96.5% to 99.11%.

Note 5: In August 2023, the Group acquired interest for $30,000 thousand, the Group did not subscribe according to its shareholding ratio. Thus, the shareholding ratio increased from 90% to 91.5%.

Note VI: As the Group obtained two out of three seats in the board of CITY SPORTS (THAILAND) CO., the Group has control over the decision making of the relevant activities of the Corporation; therefore, it is listed as a subsidiary.

Note 7: In August 2023, the Group increased its subsidiary Spirit Manufacturing Inc. US$3,300 thousand through debt-for-equity swap.

3. Subsidiaries excluded from the consolidated financial statements: None.

(IV) Foreign currencies

1. Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using the exchange rate on the transaction date. At the end of each reporting period (hereinafter, the reporting date), monetary items denominated in foreign currencies are retranslated into the functional currency at the exchange rate prevailing on that date. Non-monetary items in foreign currencies measured at fair value are translated into the functional currency using the exchange rate on the date the fair value is determined, whereas non-monetary items measured at historical cost are translated using the exchange rate on the transaction date.

Exchange differences arising from the translation of foreign currencies are generally recognized in profit or loss; however, the following cases are recognized in other comprehensive income:

(1) Equity instruments designated to be measured at fair value through other comprehensive income;
(2) Financial liabilities designated as hedges of the net investment in a foreign operation, to the extent that the hedging relationship is effective; and
(3) Qualifying cash flow hedges, to the extent that the hedging relationship is effective.

2. Foreign Operation

Assets and liabilities of a foreign operation, including goodwill and fair value adjustments arising on acquisition, are translated into New Taiwan Dollars using the exchange rate at the reporting date; income and expense items are translated into New Taiwan Dollars using the average exchange rate for the period, with any resulting translation differences recognized in other comprehensive income.

When control, joint control, or significant influence over a foreign operation is lost upon disposal, the cumulative translation differences related to that foreign operation are fully reclassified to profit or loss. In a partial disposal involving a subsidiary of the foreign operation, the related cumulative translation differences are proportionately reallocated to non-controlling interests. In a partial disposal involving an associate or joint venture investment of the foreign operation, the related cumulative translation differences are proportionately reclassified to profit or loss.

For monetary receivables or payables of a foreign operation for which there is no repayment plan and which are not expected to be settled in the foreseeable future, any foreign exchange gains or losses are considered part of the net investment in that foreign operation and recognized in other comprehensive income.

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

The Group classifies the assets that meets one of the following conditions as current assets, and all other assets that do not belong to current assets are classified as non-current:

1. It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
2. It holds the asset primarily for the purpose of trading;
3. It expects to realize the asset within twelve months after the reporting period; or
4. The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

1. It expects to settle the liability in its normal operating cycle;
2. It holds the liability primarily for the purpose of trading;
3. The liability is due to be settled within twelve months after the reporting period; or
4. It 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.

(VI) Cash and cash equivalents

Cash includes cash on hand and demand deposits. Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. Time deposits that meet the aforementioned definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes are classified as cash equivalents.

(VII) Financial instruments

Accounts receivable and debt securities issued are initially recognized at the time they arise. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets (excluding accounts receivable that do not constitute a significant financial component) or financial liabilities that are not measured at fair value through profit or loss are initially measured at fair value, inclusive of directly attributable transaction costs to acquisition or issuance. Accounts receivable that do not represent a significant financial component are measured at the transaction price.

1. Financial Assets

   For purchases or sales of financial assets conducted in the ordinary course of business, the Group consistently accounts for all such purchases and sales—of financial assets within the same classification—on either a trade date basis or a settlement date basis.

   At initial recognition, financial assets are classified into the following categories: Financial assets measured at amortized cost, Investments in equity instruments measured at fair value through other comprehensive income (FVOCI) and Financial assets measured at fair value through profit or loss (FVTPL). The Group shall only reclassify affected financial assets from the beginning of the subsequent reporting period when there is a change in the business model for managing those financial assets.

   (1) Financial Assets Measured at Amortized Cost

   Financial assets that simultaneously meet the following conditions—and have not been designated to be measured at FVTPL—are measured at amortized cost:

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

   Subsequently, these assets are measured at amortized cost, which equals the initial carrying amount adjusted for cumulative amortization (calculated using the effective interest method) and any adjustments for impairment losses. Interest income, foreign exchange gains or losses, and impairment losses are recognized in profit or loss, and any gain or loss on derecognition is also recognized in profit or loss.

   (2) Financial Assets Measured at Fair Value Through Other Comprehensive Income (FVOCI)

   Debt instrument investments that simultaneously meet the following conditions—and have not been designated to be measured at FVTPL—are measured at fair value through other comprehensive income:

   - They are held within a business model whose objective is both to collect contractual cash flows and to sell the financial asset; and
   - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

   At initial recognition, the Group may irrevocably elect on an instrument-by-instrument basis to present subsequent changes in the fair value of non-trading investments in equity instruments in other comprehensive income.

   For debt instrument investments, subsequent measurement is at fair value. Interest income calculated using the effective interest method, foreign exchange gains or losses, and impairment losses are recognized in profit or loss, while the remaining net gains or losses are recognized in other comprehensive income. Upon derecognition, the cumulative amount recognized in other comprehensive income is reclassified to profit or loss.

   For equity instrument investments, subsequent measurement is at fair value. Dividend income (unless it clearly represents a recovery of part of the investment cost) is recognized in profit or loss, while all other net gains or losses are recognized in other comprehensive income and are not subsequently reclassified to profit or loss.

Dividend income on equity investments is recognized on the date the Group's right to receive the dividend is established (typically the ex-dividend date).

(3) Financial Assets Measured at Fair Value Through Profit or Loss (FVTPL)

Financial assets that do not qualify for measurement at amortized cost or FVOCI (for example, financial assets held for trading or those managed and assessed on a fair value basis), including derivative financial assets, are measured at FVTPL. At initial recognition, in order to eliminate or significantly reduce measurement or recognition mismatches, the Group may irrevocably designate financial assets that otherwise meet the criteria for measurement at amortized cost or FVOCI to be measured at FVTPL.

Subsequently, these assets are measured at fair value, and their net gains or losses—including any dividend and interest income—are recognized in profit or loss.

(4) Impairment of Financial Assets

The Group recognizes an allowance for expected credit losses for: Financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized cost, notes receivable and accounts receivable, other receivables, deposits paid, and other financial assets);Debt instrument investments measured at FVOCI; and Contract assets.

For the following financial assets, the allowance for credit losses is measured at the 12-month expected credit loss (ECL) amount; for all other financial assets, it is measured at the lifetime ECL amount:

- Debt securities that are considered to have low credit risk at the reporting date; and
- Other debt securities and bank deposits where the credit risk (i.e., the risk of default over the expected life of the financial instrument) has not significantly increased since initial recognition.

The allowance for credit losses for accounts receivable and contract assets is measured at the lifetime ECL amount.

In assessing whether credit risk has significantly increased since initial recognition, the Group considers reasonable and supportable information (readily available without incurring excessive cost or effort), including both qualitative and quantitative information, as well as analyses based on historical experience, credit assessments, and forward-looking information.

If contractual payments are overdue by more than 90 days, the Group assumes that the credit risk of the financial asset has significantly increased.

If contractual payments are overdue by more than 300 days, or if it is unlikely that the borrower will fulfill its credit obligations in full, the financial asset is considered to be in default.

If the credit rating of a financial instrument is equivalent to the globally defined "investment grade" (i.e., S&P's investment grade of BBB, Moody's investment grade of Baa3, or CPC's investment grade of twA, or higher), the Group considers that debt security to have low credit risk.

Lifetime ECL refers to the expected credit losses over the entire expected life of the financial instrument, while the 12-month ECL refers to the expected credit loss arising from default events that may occur within 12 months after the reporting date (or a shorter period if the expected life is less than 12 months).

The maximum period over which ECL is measured is the longest contractual period during which the Group is exposed to credit risk.

Expected credit losses are the probability-weighted estimates of credit losses over the expected life of the financial instrument. Credit losses are measured as the present value of all cash shortfalls, that is, the difference between the contractual cash flows receivable and the cash flows the Group expects to receive, discounted at the effective interest rate of the financial asset.

At each reporting date, the Group evaluates whether financial assets measured at amortized cost and debt securities measured at FVOCI have experienced credit impairment. A financial asset is considered credit impaired when one or more factors that adversely affect the estimated future cash flows have occurred. Evidence of credit impairment may include:

- Significant financial difficulties of the borrower or issuer;
- Default, such as payments being overdue by more than 300 days;
- Concessions granted by the Group to the borrower—which would not normally be considered—due to the borrower's financial difficulties;
- A high probability that the borrower will file for bankruptcy or undergo other financial restructuring; or
- The disappearance of an active market for the financial asset as a result of financial difficulties.

For financial assets measured at amortized cost, the allowance for credit losses is deducted from the asset's carrying amount. For debt instrument investments measured at FVOCI, the allowance for credit losses is adjusted against profit or loss and recognized in other comprehensive income (without reducing the asset's carrying amount).

When it is not reasonably expected that the Group will recover all or part of a financial asset, the carrying amount is directly reduced. For corporate customers, the Group determines the timing and amount of write-offs based on an individual assessment of recoverability. The Group does not expect amounts written off to be significantly reversed. However, written-off financial assets may still be enforced in accordance with the Group's procedures for recovering overdue amounts; based on historical experience, overdue amounts are not expected to be recovered from corporate customers after 300 days.

(5) Derecognition of Financial Assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset have expired, or when the financial asset has been transferred and substantially all of the risks and rewards of ownership have been transferred to another party, or when neither of these conditions is met and the Group has not retained control over the asset.

For transactions in which the Group transfers financial assets, if the Group retains substantially all of the risks and rewards of ownership of the transferred asset, the asset continues to be recognized on the balance sheet.

2. Financial Liabilities and Equity Instruments

(1) Classification as Liability 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 financial liabilities and equity instruments.

(2) Equity Transactions

Equity instruments represent any contractual arrangement that evidences the residual interest in the assets of the Group after deducting all liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of directly attributable issuance costs.

(3) Treasury Shares

When the Group repurchases its own recognized equity instruments, the consideration paid (including any directly attributable costs) is recognized as a reduction in equity. The repurchased shares are classified as treasury shares. Upon subsequent sale or reissuance of treasury shares, the amounts received are recognized as an increase in equity, with any resulting surplus or loss recognized in capital surplus or retained earnings (if capital surplus is insufficient to offset the loss).

(4) Compound Financial Instruments

Compound financial instruments issued by the Group are convertible bonds (denominated in New Taiwan Dollars) that give the holder the option to convert into equity, with the number of shares issued remaining fixed regardless of changes in fair value.

The liability component of a compound financial instrument is initially measured at the fair value of a similar liability that does not include the conversion option. The equity component is measured as the residual difference between the fair value of the compound instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their respective carrying amounts at initial recognition.

After initial recognition, the liability component is measured at amortized cost using the effective interest method, while the equity component is not subsequently remeasured.

Interest related to financial liabilities is recognized in profit or loss. When a financial liability is converted into equity, it is reclassified to equity without any gain or loss being recognized.

(5) Financial Liabilities

Financial liabilities are classified as measured at amortized cost or at fair value through profit or loss. If a financial liability is held for trading, is a derivative, or is designated at initial recognition, it is classified as measured at fair value through profit or loss. Financial liabilities measured at fair value through profit or loss are remeasured at fair value, with the related net gains and losses—including any interest expense—recognized in profit or loss.

All other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense and exchange differences recognized in profit or loss. Any gain or loss on derecognition is likewise recognized in profit or loss.

(6) Derecognition of Financial Liabilities

The Group derecognizes a financial liability when the contractual obligations have been settled, cancelled, or have expired. If the terms of a financial liability are modified such that the cash flows under the modified terms differ significantly from those under the original terms, the original financial liability is derecognized and a new financial liability is recognized at fair value based on the modified terms.

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

(7) Netting of Financial Assets and Liabilities

Financial assets and financial liabilities are offset only when the Group currently has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to simultaneously realize the asset and settle the liability. In such cases, they are presented on a net basis in the balance sheet.

(VIII) Inventories

Inventories consist of raw materials, supplies, finished goods and work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the [specific identification of cost/first-in, first-out (FIFO) cost/weighted-average cost] on the balance sheet date.

For a contract where a land owner provides land for construction of buildings by a property developer in exchange for a certain percentage of the buildings, no exchange gain or loss is recognized if the buildings acquired are classified as properties held for sale. Revenue is recognized when the properties held for sale are sold to third parties.

(IX) Investments in Associates

An associate is an entity over which the Group has significant influence but not control over its financial and operating policies.

The Group accounts for its investments in associates using the equity method. Under the equity method, investments are initially recognized at cost, which includes transaction costs. The carrying amount of the investment in an associate includes goodwill identified at the time of 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 the associate, after adjustments to align the associate's accounting policies with those of the Group, from the date the Group obtains significant influence until the date it ceases to have significant influence. Changes in the associate's equity that do not affect profit or loss or other comprehensive income and do not affect the Group's ownership percentage are recognized by the Group in capital surplus in proportion to its shareholding.

Unrealized gains and losses arising from transactions between the Group and its associates are recognized in the consolidated financial statements only to the extent of the interests in the associates that are not related to the Group. When the Group's share of losses of an associate equals or exceeds its interest in that associate, the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

(X) Investment Properties

Investment properties are properties held to earn rental income, for capital appreciation, or both, rather than for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment properties are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss. The depreciation method estimated useful lives, and residual values of investment properties are consistent with those applied to property, plant and equipment.

Gains or losses arising from the disposal of investment properties, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss.

Rental income from investment properties is recognized on a straight-line basis over the lease term as other income. Lease incentives granted are recognized as part of rental income over the lease term.

(XI) Property, plant and equipment

1. Recognition and measurement

   Items of property, plant and equipment are measured at cost (including capitalized borrowing costs) less accumulated depreciation and accumulated impairment loss.

   When 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.

   Gains or losses arising from the disposal of an item of property, plant and equipment are recognized in profit or loss.

2. Subsequent costs

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

3. Depreciation

Depreciation is calculated on the cost of an asset, less its residual value, using the straight-line method over the estimated useful lives of each significant part, and is recognized in profit or loss.

Land is not depreciated.

The estimated useful lives of the current and comparative periods are as follows:

(1)Buildings and structures	2 to 50 years
(2)Machinery and equipment	1 to 11 years
(3)Transportation equipment	2 to 11 years
(4)Office equipment	1 to 15 years
(5)Leasehold improvements	1 to 10 years

The Group reviews the depreciation method, useful lives and residual values at the end of each reporting period and makes adjustments if necessary.

4. Reclassification to investment properties

When an owner-occupied property is reclassified to an investment property, it is reclassified at its carrying amount at the date of the change in use.

(XII) Leases

At the inception of a contract, the Group assesses whether the 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.

1. As a lessee

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

Subsequently, the right-of-use asset is depreciated on a straight-line basis from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. The Group also assesses the right-of-use asset for impairment periodically and recognizes any impairment losses. In cases where the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

The lease liability is initially measured at the present value of lease payments that are not paid at that date. The discount rate used is the interest rate implicit in the lease, if readily determinable; if not, the Group's incremental borrowing rate is used, which is generally the case.

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

(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 at the commencement date;
(3) amounts expected to be payable under residual value guarantees; and
(4) the exercise price of a purchase option or penalties for terminating the lease, if it is

reasonably certain that the Group will exercise those options.

After the commencement date, the lease liability is measured at amortized cost using the effective interest method and is remeasured when:

(1) there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments;
(2) there is a change in the expected amount payable under a residual value guarantee;
(3) there is a change in the assessment of a purchase option;
(4) there is a change in the assessment of whether the lessee is reasonably certain to exercise an extension option or not to exercise a termination option, which results in a change in the lease term; or
(5) the lease is modified, including changes to the scope of the lease, the consideration, or other relevant terms.

When a lease liability is remeasured for the reasons mentioned above, the corresponding adjustment is made to the carrying amount of the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss.

For lease modifications that decrease the scope of a lease, the Group reduces the carrying amount of the right-of-use asset accordingly and recognizes the difference between this reduction and the remeasurement of the lease liability in profit or loss.

Right-of-use assets and lease liabilities, except for those meeting the definition of investment properties, are presented separately in the consolidated balance sheets.

For short-term leases and leases of low-value assets related to buildings and transportation equipment, the Group elects not to recognize right-of-use assets and lease liabilities. Instead, the related lease payments are recognized as expenses on a straight-line basis over the lease terms.

2. As a lessor

At the commencement date, the Group classifies each lease as either a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset; otherwise, it is classified as an operating lease.

In determining the classification, the Group considers indicators such as whether the lease term covers the major part of the economic life of the underlying asset.

(XIII) Intangible assets

1. Recognition and Measurement

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

Expenditures related to research activities are recognized as expenses in the period in which they are incurred.

Development expenditures are capitalized only when they can be reliably measured, the technical or commercial feasibility of the product or process has been established, it is probable that future economic benefits will flow to the Group, and the Group intends and has sufficient resources to complete the development and to use or sell the asset. All other development expenditures are recognized in profit or loss as incurred. After initial recognition, capitalized development expenditures are measured at cost less accumulated amortization and accumulated impairment losses.

Other intangible assets with finite useful lives acquired by the Group, including customer relationships, royalty rights, brand names, copyrights, and trademarks, are measured at cost less accumulated amortization and accumulated impairment losses.

2. Subsequent Expenditure

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset. All other expenditures, including expenditures on internally generated goodwill and brands, are recognized in profit or loss as incurred.

3. Amortization

Except for goodwill, amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of the intangible assets, beginning when the asset is available for use. The amortization is based on the cost of the asset, less its estimated residual value.

The estimated useful lives for the current and comparative periods are as follows:

- Trademarks and technical royalties: 3–15 years
- Customer relationships: 7–16 years
- Computer software: 1–13 years
- Royalty rights: 2–6 years
- Brand names: 3–23 years
- Websites: 4 years
- Copyrights: 3 years

The Group reviews the amortization methods, useful lives, and residual values of intangible assets at each reporting date and adjusts them if appropriate.

(XIV) Impairment of Non-Financial Assets

At the end of each reporting period, the Group assesses whether there are any indications that the carrying amounts of non-financial assets (excluding inventories and deferred tax assets) may be impaired. If any such indications exist, the recoverable amount of the asset is estimated. Goodwill is subject to impairment testing on an annual basis.

For the purpose of impairment testing, a group of assets is considered the smallest identifiable asset group that generates cash flows largely independent of other individual assets or groups of assets. Goodwill arising from a business combination is allocated to the cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount is the higher of fair value less costs to sell and value in use. When assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the specific risks associated with the asset or cash-generating unit.

If the recoverable amount of an individual asset or cash-generating unit is less than its carrying amount, an impairment loss is recognized.

Impairment losses are recognized immediately in profit or loss, and are first allocated to reduce the carrying amount of any goodwill allocated to the cash-generating unit, with any remaining impairment loss allocated to the carrying amounts of the other assets within the unit on a pro-rata basis.

Impairment losses on goodwill are not reversed. For non-financial assets other than goodwill, an impairment loss is reversed only to the extent that the carrying amount does not exceed the amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized in previous years.

(XV) Provisions

Provisions are recognized when, as a result of past events, the Group has a present obligation that is expected to result in the outflow of economic resources to settle the obligation, and the amount of the obligation can be reliably estimated. Provisions are measured at the best estimate of the discounted cash flows required to settle the present obligation at the end of the reporting period, using a pre-tax discount rate that reflects current market assessments of the time value of money and the specific risks associated with the obligation. The amortization of the discount is recognized as interest expense.

1. Warranties

Provisions for warranty obligations are recognized at the time of sale of goods or services, based on historical warranty data and the expected costs required to settle the warranty obligations, weighted by the probabilities of all possible outcomes.

(XVI) Revenue Recognition

1. Revenue from Customer Contracts

Revenue is measured by the consideration expected to be received upon the transfer of goods or services. The Group recognizes revenue when control of the goods or services is transferred to the customer, thus satisfying the performance obligations. The Group recognizes revenue based on the following primary revenue categories:

(1) Revenue from the Sale of Goods

The Group manufactures and sells fitness equipment and outdoor furniture to distributors. Revenue is recognized when control of the product is transferred, which occurs when the goods are delivered to the customer. The transfer of control means that the product has been delivered to the customer, and the Group recognizes accounts receivable at this point, as it has an unconditional right to receive consideration. The customer has full discretion over the distribution and price of the product, and there are no outstanding performance obligations affecting the customer's acceptance of the product. Delivery occurs when the product is shipped to a specific location, the risks of obsolescence and loss are transferred to the customer, and the customer accepts the product as per the sales agreement, or when the Group has objective evidence that all acceptance conditions have been met.

The Group offers the right of return for certain sales, and the estimated amount of sales returns is recognized at the time of sale based on past experience, taking into account the likelihood of returns. Revenue is recognized to the extent that it is highly probable that a significant reversal will not occur, and the amount of expected returns is reassessed at each subsequent reporting period.

The Group provides a standard warranty on the products and recognizes a warranty provision for this obligation.

Revenue is recognized as accounts receivable when control of the goods is transferred to the customer, as the Group has an unconditional right to receive consideration.

In cases of consignment manufacturing, control over the ownership of the product has not transferred, so revenue is not recognized at the time of consignment.

(2) Financial Components
The Group expects that the period between the transfer of goods or services to the customer and the customer's payment for those goods or services will not exceed one year. Therefore, the Group does not adjust the transaction price for the time value of money.

2. Revenue from Rendering of Services
Revenue from services is recognized when the service is performed.

(XVII) Government Grants
Government grants are recognized only when there is reasonable assurance that the Group will comply with the conditions attached to the grants and that the grants will be received. If the government grant is intended to compensate the Group for incurred expenses, it is recognized in profit or loss on a systematic basis over the periods in which the related expenses are recognized. Specifically, government grants whose primary condition is that the Group should purchase, construct, or otherwise acquire non-current assets are recognized as deferred revenue or deducted from the carrying amount of the relevant assets and are transferred to profit or loss on a systematic and rational basis over the useful lives of the assets.

(XVIII) Employee Benefits
1. Defined Contribution Plans
The contribution obligation for defined contribution plans is recognized as an expense during the period in which the employee renders service.

2. Defined Benefit Plans
The net obligation under defined benefit plans is calculated by estimating the future benefits earned by employees in the current and prior periods, discounted to present value, and reduced by the fair value of any plan assets.

The defined benefit obligation is calculated annually by qualified actuaries using the projected unit credit method. When the result of the calculation is favorable to the Group, the recognition of the asset is limited to the present value of any future economic benefits available in the form of refunds from the plan or reductions in future contributions.

The remeasurement of net defined benefit liabilities (assets), including actuarial gains and losses, the return on plan assets (excluding interest), and changes to the asset ceiling (excluding interest), is immediately recognized in other comprehensive income and accumulated in retained earnings. The Group determines the net interest expense (income) on net defined benefit liabilities (assets) using the discount rate and the net defined benefit liabilities (assets) at the beginning of the annual reporting period. The net interest expense (income) and other costs are recognized in profit or loss.

When there is a plan amendment or curtailment, the related change in the benefit obligation is recognized immediately in profit or loss.

3. Short-Term Employee Benefits
Short-term employee benefit obligations are recognized as expenses when the services are rendered. If the Group has a present legal or constructive obligation to pay for past services provided by employees, and the amount can be reliably estimated, it is recognized as a liability.

(XIX) Share-based Payment Arrangements
Equity-settled share-based payment arrangements are recognized as expenses based on the fair value at the grant date, during the vesting period of the reward. The expense is adjusted according to the number of awards expected to meet the service and non-market vesting conditions. The final amount recognized is based on the number of awards that meet the service and non-market vesting conditions as of the vesting date.

For share-based payment rewards with non-vesting conditions, the measurement is based on the fair value of the share-based payment at the grant date, with the difference between the expected and actual results not requiring adjustment.

Cash-settled share-based payment arrangements (such as share appreciation rights) are recognized as expenses based on the fair value of the obligation due to employees, and the corresponding liability is recognized during the period when the employee becomes entitled to the reward. At each reporting date and the settlement date, the liability is remeasured based on the fair value of the share appreciation rights, with any changes in fair value recognized in profit or loss.

The grant date for share-based payments in the Group is the date of approval by the board of directors for the capital increase.

(XX) Taxation
Income tax includes both current and deferred taxes. Current and deferred taxes are recognized in profit or loss, except to the extent that they relate to items recognized outside profit or loss, either in other comprehensive income or directly in equity. In such cases, the related tax is also recognized in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Current tax represents the estimated amount of income tax payable (or recoverable) in respect of taxable profit (or loss) for the year, calculated in accordance with the applicable tax laws enacted or substantively enacted as of the reporting date. It also includes adjustments to tax payable or recoverable in respect of prior years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases.Deferred tax is not recognized for:

1. temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit (loss), and does not give rise to equal amounts of taxable and deductible temporary differences;

2. taxable temporary differences associated with investments in subsidiaries, associates, and joint ventures, to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future; and

3. taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax assets are recognized for deductible temporary differences, unused tax losses, and unused tax credits to the extent that it is probable that future taxable profits will be available against which they can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Conversely, previously unrecognized deferred tax assets are reassessed and recognized to the extent that it has become probable that future taxable profits will allow the asset to be recovered.

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply in the period in which the assets are realized or the liabilities are settled, based on the tax rates (and laws) enacted or substantively enacted as of the reporting date.

Deferred tax assets and liabilities are offset only when:

1. the entity has a legally enforceable right to offset current tax assets against current tax liabilities; and

2. the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on:
   (1) the same taxable entity, or
   (2) different taxable entities which intend to settle current tax liabilities and assets on a net basis or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(XXI) Business Combinations

The acquiring company applies the acquisition method to account for each business combination. Goodwill is measured as the excess of the fair value of the consideration transferred on the acquisition date, including any non-controlling interests in the acquiree, over the net amounts of the identifiable assets acquired and liabilities assumed (typically measured at fair value). If, after re-assessment, the net amounts of the identifiable assets acquired and liabilities assumed exceed the sum of the consideration transferred, including any non-controlling interests in the acquiree, the excess is recognized immediately in profit or loss as a bargain purchase gain.

Acquisition-related costs are generally recognized as expenses in the profit or loss when incurred, except for transaction costs related to the issuance of debt or equity instruments.

For non-controlling interests in the acquiree, if the interests are present ownership interests that entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, the acquiring company measures the non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets, based on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or according to other measurement bases specified under applicable financial reporting standards, as approved by the Financial Supervisory Commission.

(XXII) Earnings Per Share

The Group presents basic and diluted earnings per share attributable to the ordinary equity holders of the Corporation. Basic earnings per share is calculated by dividing the profit or loss attributable to the ordinary equity holders of the Corporation by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by adjusting the profit or loss attributable to the ordinary equity holders of the Corporation and the weighted average number of ordinary shares outstanding for the effect of all potential dilutive ordinary shares. The Group’s potential dilutive ordinary shares include convertible bonds and stock options granted to employees.

(XXIII) Segment Information

Operating segments are components of the Group that engage in business activities from which they may earn revenue and incur expenses (including revenues and expenses related to transactions between the Group’s other components). The operating results of all segments are regularly reviewed by the Group’s chief operating decision maker to allocate resources to the segments and assess their performance. Each operating segment has separate financial information.

V. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the preparation of these consolidated financial statements, management is required to make judgments and estimates regarding future events (including climate-related risks and opportunities) that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Management continuously reviews the estimates and underlying assumptions in alignment with the Group’s risk management and climate-related commitments. Changes in estimates are recognized in the current period and deferred for recognition in future periods, as applicable.
Material Accounting Judgments

The application of accounting policies involves significant judgments, and the following information highlights those that have a significant impact on the amounts recognized in the consolidated financial statements:

(I) Judgment on Control over Subsidiaries

The Group holds a 44% equity interest in CITY SPORTS (THAILAND) Co., LTD. Despite holding less than half of the voting rights, the Group has the majority of the board seats, which grants the Group the ability to direct the relevant activities of the entity. As a result, the Group has control over CITY SPORTS (THAILAND) Co., LTD., and it is considered a subsidiary.

The following assumptions and estimates involve significant uncertainty, which may result in material adjustments to the carrying amounts of assets and liabilities in the next financial year. The related information is as follows:

(I) Valuation of Inventories

As inventories are measured at the lower of cost and net realizable value, the Group assesses the carrying amounts of inventories at the reporting date, taking into account any normal wear and tear, obsolescence, or lack of market value. The Group reduces the carrying amount of inventories to their net realizable value. The valuation of inventories is primarily based on the estimated product demand in a specific future period and may be subject to significant fluctuations due to rapid changes in the industry. For details on the estimation of inventory valuation, please refer to Note VI(VII).

(II) Impairment Assessment of Goodwill

The process for assessing goodwill impairment relies on the Group's subjective judgment, including identifying cash-generating units, allocating goodwill to relevant cash-generating units, and determining the recoverable amount of those cash-generating units. For a detailed explanation of the goodwill impairment assessment, please refer to Note VI(XIV).

The Group’s accounting policies and disclosures include the use of fair value measurement for its financial and non-financial assets and liabilities. The Group has established relevant internal control systems for fair value measurement. The valuation team regularly reviews significant unobservable inputs and makes adjustments accordingly. When external third-party information (e.g., from brokers or pricing service providers) is used for fair value measurement, the valuation team evaluates the evidence supporting the inputs provided by the third party to ensure that the valuation and its fair value classification level comply with International Financial Reporting Standards (IFRS).

When measuring its assets and liabilities, the Group uses observable market inputs to the extent possible. The fair value hierarchy is classified based on the inputs used in the valuation technique as follows:

- **Level 1**: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2**: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- **Level 3**: Inputs for an asset or liability that are not based on observable market data (unobservable inputs).

For further information on the assumptions used in fair value measurements, please refer to Note VI(XXVIII), Financial Instruments.

VI. Explanation to Significant Accounts

(I) Cash and cash equivalents

		December 31, 2024	December 31, 2023
Cash on hand	$	14,832	15,240
Checking accounts and demand deposits		1,128,019	1,112,567
Time deposits		16,393	30,705
	$	1,159,244	1,158,512

Please refer to Note VI(XXVIII) for the disclosure of the interest rate risk and sensitivity analysis of the Group's financial assets and liabilities.

(II) Financial assets and liabilities at fair value through profit or loss

		December 31, 2024	December 31, 2023
Financial assets held for trading:			
Non-derivative financial assets - current			
Limited Partnership - Changneng Capital Limited Partnership	$	39,617	16,555
Funds		3,500	-
	$	43,117	16,555
Financial assets mandatorily classified as at FVTPL:			
Non-derivative financial assets - non-current			
Convertible promissory notes	$	-	118,124

1. For the amount recognized at fair value through profit or loss, please refer to Notes VI(VIII) and (XXVII).
2. For the market risk information, please refer to Note VI(XXVIII).
3. The financial assets above have not been provided as collateral.

(III) Financial assets at fair value through other comprehensive income - non-current

		December 31, 2024	December 31, 2023
Equity Instruments at FVTOCI:			
Stocks listed on domestic markets	$	11,437	8,966
Stocks unlisted on domestic markets		4,934	6,865
Stocks unlisted on foreign markets		20,442	35,139
	$	36,813	50,970

1. The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes.
2. There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments for the years ended December 31, 2024 and 2023.
3. For the credit risk and market risk information, please refer to Note VI(XXVIII).

4. The financial assets above have not been provided as collateral.

(IV) Financial assets at amortized cost

		December 31, 2024	December 31, 2023
Current			
Time deposits with a maturity date exceeding 3 months	$	7,975	23,390
Bank debenture		6,557	30,705
Redeemable GICs		-	29,000
	$	14,532	83,095
Non-current			
Bank debenture	$	32,785	6,141

1. The Group evaluates holding such assets until maturity date to collect contractual cash flows, and the cash flows of such financial assets are solely for the payment of principal and interest on the outstanding principal amount, thus classified as financial assets at amortized cost.

2. For the credit risk information, please refer to Note VI(XXVIII).

3. For the information on the financial assets pledged at amortized cost mentioned above, please refer to Note VIII.

(V) Notes receivable and accounts receivable

		December 31, 2024	December 31, 2023
Notes receivable	$	1,892	984
Accounts receivable		1,306,472	1,201,732
Less: Allowance for impairment loss		(97,758)	(130,688)
	$	1,210,606	1,072,028

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

	December 31, 2024		
	Gross Carrying Amount	Weighted Average Loss Rate	Loss Allowance Provision
Not Past Due	$ 1,034,426	0%~2.99%	3,192
Less than 60 days	127,825	0%~29.01%	4,471
61 to 120 days	52,548	0%~43.95%	8,588
121 to 180 days	11,536	0%~61.79%	2,944
181 to 365 days	11,442	0%~100%	7,976
Over 366 Days and Individually Recognized	70,587	100%	70,587
	$ 1,308,364		**97,758**

	December 31, 2023		
	Gross Carrying Amount	Weighted Average Loss Rate	Loss Allowance Provision
Not Past Due	$ 937,354	0%~5.72%	6,107
Less than 60 days	136,424	0%~60.57%	8,211
61 to 120 days	15,441	0%~83.82%	9,070
121 to 180 days	26,155	0%~91.89%	21,068
181 to 365 days	13,516	0%~100%	12,406
Over 366 Days and Individually Recognized	73,826	100.00%	73,826
	$ 1,202,716		**130,688**

The movement in the allowance for notes and account receivables were as follows:

	Years Ended December 31	
	2024	2023
Beginning balance	$ 130,688	238,231
Reversal of impairment loss	(32,458)	(3,198)
Amounts written off	(5,897)	(103,696)
Foreign exchange gains and losses	5,425	(649)
Ending balance	**$ 97,758**	**130,688**

For the credit risk information, please refer to Note VI(XXVIII).

(VI) Other receivables

	December 31, 2024	December 31, 2023
Other receivables	$ 57,308	54,599
Less: loss allowance	(39,500)	(39,500)
	$ 17,808	15,099

For the credit risk information, please refer to Note VI(XXVIII).

(VII) Inventories

	December 31, 2024	December 31, 2023
Raw materials	$ 229,709	126,720
Work in progress	112,277	175,929
Finished goods	1,114,034	1,896,332
Merchandise	794,890	275,514
	$ 2,250,910	2,474,495

1. The information of the cost of goods sold is as follows:

	Years Ended December 31	
	2024	2023
Transfer of inventories sold	$ 4,550,731	4,991,189
Inventory write-downs	15,407	65,465
Warranties	73,688	62,732
	$ 4,639,826	5,119,386

2. The Group’s inventories have not been pledged as collateral for the years ended December 31, 2024 and 2023.

(VIII) Investments accounted for using the equity method

The components of investments accounted for using the equity method at the reporting date were as follows:

	December 31, 2024	December 31, 2023
Associates	$ 6,136	6,368

1. The financial information of individually non-significant associates using equity method included in the consolidated financial statements were as follows:

	December 31, 2024	December 31, 2023
The carrying amount of individually non-significant associates’ equity		
Hongdaxin Projection Co., Ltd.	$ 3,553	3,714
Kerr (Shanghai) Rehabilitation Technology Development Co., Ltd.	2,583	2,654
Morsel, Inc.	-	-
	$ 6,136	6,368

		Years Ended December 31	
		2024	**2023**
The carrying amount of individually non-significant associates' equity			
Hongdaxin Projection Co., Ltd.	$	(323)	(335)
Kerr (Shanghai) Rehabilitation Technology Development Co., Ltd.		-	-
Morsel, Inc.	$	(323)	(335)

2. The Group approved at the board meeting on August 11, 2021 to invest a total of US$6,000 thousand in the smart fitness content producer Morsel, Inc., of which US$1,000 thousand (approximately NT$27,750 thousand) was used to acquire the Corporation's ordinary shares, accounting for 11% of the Corporation's shareholdings. According to the investment agreement, the Group has the right to appoint one of the three board seats, thereby having a significant influence on the Corporation. Additionally, the Group acquired the three-year convertible promissory notes issued by Morsel Inc. in 2021 which acquired for US$5,000 thousand (approximately NT$138,750 thousand) at an annual interest rate of 1%, which was recognized as financial assets at fair value through profit or loss and gain on fair value changes to $118,124 thousand and $28,947 thousand, respectively, for the periods for the years ended December 31, 2024 and 2023. Please refer to Notes VI(II) and (XXVII).

   The Group adopts the equity method to recognize the investment in the associate company Morsel, Inc. Due to mediocre sales performance in the market, the future operating cash inflows are expected to decrease, resulting in the recoverable amount based on value-in-use calculations being less than the carrying amount of the investments in the associate company. After evaluation, the Group recognized the investment in Morsel, Inc. as impairment loss to the carrying amount of $0 thousand in 2022.

3. As of December 31, 2024 and 2023, the investments accounted for using the equity method were not provided as collateral.

(IX) Acquisition of non-controlling interests

The Group purchased a total of 85 thousand shares of Dyaco UK Ltd in cash $3,424 thousand in January, 2024, increasing the shareholding ratio from 96.50% to 99.11%.

The impact of changes in the Corporation's ownership of Dyaco UK Ltd on the interests of owners of parent company is as follows:

		Year Ended December 31, 2024
Carrying amount of non-controlling interests purchased	$	3,538
Consideration paid for non-controlling interests		(3,424)
Capital surplus – Difference between the actual acquisition or disposal price of subsidiary's shares and carrying amount	$	114

(X) Subsidiaries that have material non-controlling interests

The non-controlling interests of the subsidiary that is significant to the Group is as follows:

Name of Subsidiary	Principal Place of Business/ Company Registration Country	Proportion of Ownership and Voting Rights Held by Non-controlling Interests	
		December 31, 2024	December 31, 2023
Shelton Corporation (Jiaxing), Ltd.	China	40%	40%

The following information of the aforementioned subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in the information are the fair value adjustment made during the acquisition and relevant differences in accounting principles between the Group as at the acquisition date. Intergroup transactions were not eliminated in this information:

1. Summarized consolidated financial information of Shelton Corporation (Jiaxing), Ltd:

	December 31, 2024	December 31, 2023
Current assets	$ 1,158,591	1,106,893
Non-current assets	199,318	239,189
Current liabilities	(610,645)	(650,392)
Non-current liabilities	(1,014)	(913)
Net assets	$ 746,250	694,777
Carrying amount of non-controlling interests at the end of the period	$ 405,737	389,311

	Years Ended December 31	
	2024	2023
Operating revenue	$ 1,561,857	2,006,672
Net income (loss)	$ 13,153	71,698
Other comprehensive income	27,909	(20,560)
Total comprehensive income (loss)	$ 41,062	51,138
Net Profit (loss) attributable to non-controlling interests	$ 5,261	28,680
Comprehensive income (loss) attributable to non-controlling interests	$ 16,426	20,455

(XI) Property, plant and equipment

The movements in property, plant and equipment were as follows:

	Land	Buildings	Machinery Equipment	Transport Equipment	Office Equipment	Leasehold Improvements	Property under Construction	Total
Cost or recognized cost:								
Balance at January 1, 2024	$ 1,659,248	2,214,682	694,190	46,412	83,762	26,487	462,342	5,187,123
Additions	145	35,527	33,344	601	12,542	6,200	200,549	288,908
Reclassification	-	419,322	36,500	1,376	-	-	(446,221)	10,977
Disposals	-	(1,167)	(37,452)	(1,622)	(3,627)	(1,311)	(827)	(46,006)
Effects of foreign currency exchange differences	1,470	66,663	13,068	927	1,725	257	-	84,110
Balance at December 31, 2024	$ 1,660,863	2,735,027	739,650	47,694	94,402	31,633	215,843	5,525,112
Balance at January 1, 2023	$ 1,659,253	2,230,479	687,066	51,805	83,920	25,409	317,724	5,055,656
Additions	-	2,341	71,148	640	5,664	756	144,618	225,167
Reclassification	-	1,464	-	-	-	-	-	1,464
Disposals	-	(6,009)	(59,578)	(5,981)	(6,234)	(261)	-	(78,063)
Effects of foreign currency exchange differences	(5)	(13,593)	(4,446)	(52)	412	583	-	(17,101)
Balance at December 31, 2023	$ 1,659,248	2,214,682	694,190	46,412	83,762	26,487	462,342	5,187,123
Depreciation expenses and impairment loss:								
Balance at January 1, 2024	$ -	810,570	499,568	33,750	69,873	17,503	-	1,431,264
Depreciation expenses	-	83,979	63,358	3,760	7,344	3,099	-	161,540
Reclassification	-	7,308	(168)	-	-	-	-	7,140
Disposals	-	(1,167)	(36,007)	(969)	(3,586)	(1,311)	-	(43,040)
Effects of foreign currency exchange differences	-	22,078	9,796	667	1,280	107	-	33,928
Balance at December 31, 2024	$ -	922,768	536,547	37,208	74,911	19,398	-	1,590,832
Balance at January 1, 2023	$ -	748,313	497,003	35,340	68,853	14,318	-	1,363,827
Depreciation expenses	-	75,375	64,620	4,495	6,905	3,080	-	154,475
Reclassification	-	444	-	-	-	-	-	444
Disposals	-	(5,493)	(58,925)	(5,972)	(6,218)	(261)	-	(76,869)
Effects of foreign currency exchange differences	-	(8,069)	(3,130)	(113)	333	366	-	(10,613)
Balance at December 31, 2023	$ -	810,570	499,568	33,750	69,873	17,503	-	1,431,264
Carrying amounts:								
January 1, 2024	$ 1,660,863	1,812,259	203,103	10,486	19,491	12,235	215,843	3,934,280
December 31, 2024	$ 1,659,248	1,404,112	194,622	12,662	13,889	8,984	462,342	3,755,859
January 1, 2023	$ 1,659,253	1,482,166	190,063	16,465	15,067	11,091	317,724	3,691,829

1. collateral

   As of December 31, 2024 and 2023, have been as collateral for long-term and short-term borrowings and loan limit, please refer to Note VIII.

2. The property under construction

   The property under construction is mainly for the plant. The interest capitalization rates for the periods are calculated based on 2.50% and 1.95% to 2.20%, respectively. The interest capitalization amounts are $3,866 thousand and $6,332 thousand for the years ended December 31, 2024 and 2023, respectively.

3. For the disposal of profits and losses, please refer to Note VI(XXVII).

(XII) Right-of-use assets

The information about leases of land, buildings, transportation equipment, and office equipment for which the Group has been a lessee is presented below:

		Land	Buildings	Transport Equipment	Office Equipment	Total
Cost:						
Balance at January 1, 2024	$	314,402	82,252	17,012	718	414,384
Additions		-	53,619	3,598	-	57,217
Disposals		-	(53,849)	(17,211)	(726)	(71,786)
Effects of foreign currency exchange differences		11,138	1,823	199	8	13,168
Balance at December 31, 2024	$	325,540	83,845	3,598	-	412,983
Balance at January 1, 2023	$	309,787	80,297	17,892	702	408,678
Additions		5,169	-	-	-	5,169
Disposals		(7,624)	-	-	-	(7,624)
Effects of foreign currency exchange differences		7,070	1,955	(880)	16	8,161
Balance at December 31, 2023	$	314,402	82,252	17,012	718	414,384
Depreciation expenses:						
Balance at January 1, 2024	$	50,582	61,686	15,092	718	128,078
Depreciation expenses		10,204	16,707	2,738	-	29,649
Disposals		-	(47,437)	(17,211)	(726)	(65,374)
Effects of foreign currency exchange differences		1,936	985	181	8	3,110
Balance at December 31, 2024	$	62,722	31,941	800	-	95,463
Balance at January 1, 2023	$	36,741	48,245	11,533	702	97,221
Depreciation expenses		10,541	12,195	4,520	-	27,256
Disposals		(3,035)	-	-	-	(3,035)
Effects of foreign currency exchange differences		6,336	1,246	(962)	16	6,636
Balance at December 31, 2023	$	50,583	61,686	15,091	718	128,078
Carrying amounts:						
January 1, 2024	$	262,818	51,904	2,798	-	317,520
December 31, 2024	$	273,046	32,052	6,359	-	311,457
January 1, 2023	$	263,819	20,566	1,921	-	286,306

For the right-of-use assets pledged as collateral by the Group for financing, please refer to Note VIII.

(XIII) Investment Properties

The information about investment properties of the Group is presented follows:

		Buildings
Cost or recognized cost:		
Balance at January 1, 2024	$	52,472
Reclassification		(9,601)
Effects of foreign currency exchange differences		911
Balance at December 31, 2024	**$**	**43,782**
Balance at January 1, 2023	$	54,456
Reclassification		(1,464)
Effects of foreign currency exchange differences		(520)
Balance at December 31, 2023	**$**	**52,472**
Depreciation expenses and impairment loss:		
Balance at January 1, 2024	$	27,214
Depreciation expenses		1,725
Reclassification		(7,308)
Effects of foreign currency exchange differences		699
Balance at December 31, 2024	**$**	**22,330**
Balance at January 1, 2023	$	25,909
Depreciation expenses		2,140
Reclassification		(444)
Effects of foreign currency exchange differences		(391)
Balance at December 31, 2023	**$**	**27,214**
Carrying amounts:		
January 1, 2024	**$**	**21,452**
December 31, 2024	**$**	**25,258**
January 1, 2023	**$**	**28,547**

1. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease period. The rental income of the investment properties that have been leased is a fixed amount. Please refer to Note VI(XXVII).

2. As of December 31, 2024 and 2023, the fair value of investment property located in Zhongshan District, Taipei City was $37,314 thousand and $24,979 thousand, respectively. The determination of fair value was not performed by independent qualified professional valuers. The management used the market-based evidence of transaction price of property, plant and equipment in determining the fair value. Management was unable to reliably measure the fair value of the investment property located in Jiaxing City, Zhejiang Province, China, because the market for comparable properties is inactive and alternative reliable measurements of fair value are not

available; therefore, the Group determined that the fair value of the investment property is not reliably measurable.

3. As of December 31, 2024 and 2023, for the information of investment properties pledged as collateral for long-term borrowings and loan limit, please refer to Note VIII.

(XIV) Intangible assets

The information about intangible assets of the Group's is presented as follows:

	Goodwill	Computer Software	Trademarks	Customer Relationship	Existing Technology	Royalty	Brand Value	Website	Copyright	Total
Cost:										
Balance at January 1, 2024	$ 569,481	118,108	84,732	108,727	-	293,399	755,721	1,106	17,026	1,948,300
Additions	-	17,256	-	-	-	-	-	-	-	17,256
Reclassification	-	1,750	-	-	-	-	-	-	-	1,750
Decrease	-	-	-	-	-	-	-	-	(2,694)	(2,694)
Disposals	-	(1,265)	-	-	-	-	(1,868)	-	-	(3,133)
Effects of foreign currency exchange differences	28,123	829	661	652	-	3,603	50,226	75	-	84,169
Balance at December 31, 2024	**$ 597,604**	**136,678**	**85,393**	**109,379**	**-**	**297,002**	**804,079**	**1,181**	**14,332**	**2,045,648**
Balance at January 1, 2023	$ 566,722	101,405	82,454	107,029	7,685	293,407	749,481	1,106	-	1,909,289
Additions	-	16,351	-	-	-	-	3,599	-	17,026	36,976
Disposals	-	(514)	-	-	(7,685)	-	-	-	-	(8,199)
Effects of foreign currency exchange differences	2,759	866	2,278	1,698	-	(8)	2,641	-	-	10,234
Balance at December 31, 2023	**$ 569,481**	**118,108**	**84,732**	**108,727**	**-**	**293,399**	**755,721**	**1,106**	**17,026**	**1,948,300**
Amortization expenses and impairment loss:										
Balance at January 1, 2024	$ 8,666	90,619	81,179	82,957	-	227,464	138,314	1,102	2,838	633,139
Amortization expenses	-	15,343	910	2,950	-	21,978	35,786	4	5,295	82,266
Disposals	-	(579)	-	-	-	-	(779)	-	-	(1,358)
Effects of foreign currency exchange differences	40	231	439	(718)	-	3,603	9,824	75	-	13,494
Balance at December 31, 2024	**$ 8,706**	**105,614**	**82,528**	**85,189**	**-**	**253,045**	**183,145**	**1,181**	**8,133**	**727,541**
Balance at January 1, 2023	$ 8,345	78,572	74,691	78,330	7,685	202,478	103,109	835	-	554,045
Amortization expenses	-	12,071	4,323	2,950	-	25,038	35,300	271	2,838	82,791
Disposals	-	(514)	-	-	(7,685)	-	-	-	-	(8,199)
Effects of foreign currency exchange differences	321	490	2,165	1,677	-	(52)	(95)	(4)	-	4,502
Balance at December 31, 2023	**$ 8,666**	**90,619**	**81,179**	**82,957**	**-**	**227,464**	**138,314**	**1,102**	**2,838**	**633,139**
Carrying amounts:										
January 1, 2024	**$ 588,898**	**31,064**	**2,865**	**24,190**	**-**	**43,957**	**620,934**	**-**	**6,199**	**1,318,107**
December 31, 2024	**$ 560,815**	**27,489**	**3,553**	**25,770**	**-**	**65,935**	**617,407**	**4**	**14,188**	**1,315,161**
January 1, 2023	**$ 558,377**	**22,833**	**7,763**	**28,699**	**-**	**90,929**	**646,372**	**271**	**-**	**1,355,244**

1. Amortization and impairment recognized

   Amortization expenses and impairment losses of intangible assets are presented separately under the following items in the consolidated statement of comprehensive income:

	Years Ended December 31	
	2024	**2023**
Operating costs	$ 2,242	2,793
Operating expenses (including research and development expenses)	80,024	79,998
Total	**$ 82,266**	**82,791**

2. Impairment Testing of Goodwill

   The carrying amount of the Group's investments in subsidiaries includes goodwill arising from the acquisitions of Dongguan Dayu Sporting Goods Co., Ltd. (which was liquidated and deregistered in November 2019), Sit-Up Metal Products (Jiaxing) Co., Ltd., CARDIOfitness GmbH & CO KG, Dyaco Canada Inc., Fitness Equipment Services, LLC., CITY SPORTS (THAILAND) CO., LTD, Neutron Ventures Ltd, and Ju Chen Industrial Corporation. The Group performed impairment testing for goodwill as of the financial reporting date.

   As of December 31, 2024 and 2023, the carrying amounts of goodwill were $588,898 thousand and $560,815 thousand, respectively.

As of December 31, 2024 and 2023, the Group's management assessed the value in use based on the recoverable amount, which was determined using future financial projections as the basis for estimating cash flows. The key assumptions that impact the estimation of recoverable amounts and the basis for determining the values of these key assumptions are summarized below:

(1) Revenue Growth Rate:
The revenue growth rate was estimated based on actual sales performance in previous years, taking into consideration the growth rate in each sales region. The estimation also reflects the Group's future operating strategies and anticipated market developments.

(2) Expected Gross Margin:
The expected gross margin was estimated using the average gross margin achieved in previous years, adjusted for the Group's future operating strategies and anticipated changes in market conditions.

(3) Discount Rate:
The discount rate was based on the weighted average cost of capital (WACC). The discount rates used in the calculation for 2024 and 2023 were 11.20% and 12.70%–14.00%, respectively.

3. In October 2024, due to the dissolution and liquidation of the well-known foreign sports brand Morsel Inc., the merged company signed a supplementary agreement with it on September 16, 2024. The total contract price of the agreement was reduced from US$720 thousand to US$575 thousand, a decrease of The portion has been used as a deduction for the original acquisition cost of the asset, and the remaining balance of US$175 thousand has been paid on October 1, 2024.

(XV) Short-term borrowings

The Group short-term borrowings are as follows:

	December 31, 2024	December 31, 2023
Credit bank borrowings	$ 387,723	622,485
Secured bank borrowings	1,565,872	1,495,530
Total	**$ 1,953,595**	**2,118,015**
Unused credit lines	**$ 2,184,880**	**787,012**
Range of interest rates	**0.50%~7.05%**	**1.81%~7.59%**

For the Group's assets as collateral for bank borrowings, please refer to Note VIII.

(XVI) Long-term borrowings

The details of the Group long-term borrowings are as follows:

	December 31, 2024			
	Currency	**Range of interest rates**	**Maturity Year**	**Amount**
Secured bank borrowings	TWD	1.52%~2.55%	114~127	$ 1,244,606
Unsecured bank borrowings	TWD	2.725%	115	702,166
Secured bank borrowings	USD	6.5%	131	155,338
Less: long-term borrowings, current portion				(271,439)
Total				$ 1,830,671
Unused credit lines				$ 730,049

	December 31, 2023			
	Currency	**Range of interest rates**	**Maturity Year**	**Amount**
Secured bank borrowings	TWD	1.40%~2.60%	113~127	$ 2,065,562
Secured bank borrowings	USD	6.5%	131	149,767
Less: long-term borrowings, current portion				(296,527)
Total				$ 1,918,802
Unused credit lines				$ 994,300

1. Collateral for long-term borrowings
   For the Group's assets as collateral for bank borrowings, please refer to Note VIII.

(XVII) Bonds payable

The Group's bonds payable are as follows:

	December 31, 2024	**December 31, 2023**
Secured convertible bonds	$ -	-
Unsecured convertible bonds	-	1,200
Less: Current portion	-	(1,200)
Total	$ -	-

1. On June 28, 2021 and August 24, 2020, the Corporation issued 0% three-year unsecured convertible bonds and secured convertible bonds, with amounts of $1,000,000 thousand and $600,000 thousand respectively, interest payment once a year and principal amount repayment upon maturity date.

2. . The secured convertible bonds issued by the Group are as follows:

	December 31, 2023
Total amount	$ 600,000
Balance of unamortized discount on bonds payable	-
Accumulated converted amount	(175,900)
Repaid amount upon maturity	(424,100)
Balance at the end of period	$ -

	Year Ended December 31, 2023
Interest expenses	$ 2,520

The Corporation issued 0% three-year secured convertible bonds in Taiwan in August, 2020 with amount of $600,000 thousand. The main issuance conditions are as follows:

(1)Each bond entitles the holder to convert it into ordinary shares of the Corporation at a conversion price of $89.9. If there are any adjustments to the conversion price of the Corporation's common shares in accordance with the issuance terms, the conversion price will be adjusted according to the issuance terms. This bond has no reset clause.

(2)The Corporation is entitled to redeem the bonds by cash at face value from the day following 3 months after the issuance until 40 days before the maturity date if the closing price of common shares is 30% higher than its conversion price within thirty business days in a row or the balance of outstanding bonds is 10% lower than the original face value.

(3)This bond has been fully converted into ordinary stock and trading over the counter was terminated on August 25, 2023.

(4)For information of the collateral for the aforementioned secured convertible bonds and ordinary bonds, please refer to Note VIII.

3. The unsecured convertible bonds issued by the Group are as follows:

	December 31, 2024	December 31, 2023
Total amount	$ 1,000,000	1,000,000
Balance of unamortized discount on bonds payable	-	-
Accumulated redeemed amount	(1,000,000)	(998,800)
Balance at the end of period	$ -	1,200

	Year Ended December 31, 2023
Interest expenses	$ 7,696

The Corporation issued 0% three-year unsecured convertible bonds in Taiwan on June 22, 2021 with amount of $1,000,000 thousand. The main issuance conditions are as follows:

(1)Each bond entitles the holder to convert it into ordinary shares of the Corporation at a conversion price of $100.6. If there are any adjustments to the conversion price of the

Corporation's common shares in accordance with the issuance terms, the conversion price will be adjusted according to the issuance terms. This bond has no reset clause.

(2)The Corporation is entitled to redeem the bonds by cash at face value from the day following 3 months after the issuance until 40 days before the maturity date if the closing price of common shares is 30% higher than its conversion price within thirty business days in a row or the balance of outstanding bonds is 10% lower than the original face value.

(3)The holder can require the Corporation to redeem the bonds after 2 years from issuance, with the amount of 101% of face value.

(4)In June 2023, a bondholder exercised the right to sell back 9,988 units of convertible bonds with a sale price of $998,800 thousand and interest compensation of $9,988 thousand. The Corporation wrote off bonds payable and financial liabilities at FVTPL of $983,453 thousand and $25,605 thousand, respectively. The difference between the sale price and the carrying amount of $270 thousand recognized as a gain on redemption on of convertible bonds (accounted for non-operating income and expenses - other income). The equity components were converted to capital surplus - convertible bonds - expired of $38,942 thousand.

(5)The maturity date of the bonds was June 28, 2024, and the trading over-the-counter terminated on July 1, 2024. As of December 31, 2024, repaid in full.

(XVIII) Lease liabilities

The carrying amounts of lease liabilities are as follows:

	December 31, 2024	December 31, 2023
Current	$ 17,581	11,613
Non-current	$ 40,205	13,926

For the maturity analysis, please refer to Notes VI(XXVIII).

The amounts recognized in profit or loss are as follows:

	Years Ended December 31	
	2024	2023
Interest on lease liabilities	$ 1,202	993
Expenses relating to short-term leases	$ 34,545	36,091
Expenses relating to lease of low-value asset leases	$ 2,089	440

The amounts recognized in the statements of cash flows are as follows:

	Years Ended December 31	
	2024	2023
Total cash outflow for leases	$ 57,061	58,305

1. Land leases
   The Group leases lands as constructions of plants, with lease term of 50 years.

2. Buildings leases
   The Group leases buildings as offices, with lease term of 2 to 13 years for retail stores.

3. Other leases
   The lease term of transportation equipment and some machinery equipment is 3 to 4 years. Additionally, the remaining buildings, transportation equipment, and certain office equipment that the Group leases are short-term and low-value leases. These leases apply to requirements of exemption from recognition and their related right-of-use assets and lease liabilities are not recognized.

(XIX) Operating leases

The Group leases its investment properties. Since almost all risks and rewards of ownership of the subject assets have not been transferred, these lease contracts are classified as operating leases. Please refer to Note VI(XIII) for investment properties.

The maturity analysis of lease payments receivable is presented in the following table as the total undiscounted lease payments to be received after the reporting date:

	December 31, 2024	December 31, 2023
Less than one year	$ 5,986	3,290
1 to 2 year	1,400	671
2 to 3 year	57	671
3 to 4 year	-	280
	$ 7,443	4,912

(XX) Employee benefits

1. Defined benefit plans
   The reconciliation of the present value of defined benefit obligations and the fair value of plan assets recognized in the consolidated balance sheets is as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligation	$ 25,029	24,499
Fair value of plan assets	(14,508)	(12,852)
Net defined benefit liabilities	$ 10,521	11,647

The details of employee benefit liabilities recognized in the consolidated balance sheets are as follows:

	December 31, 2024	December 31, 2023
Short-term paid leave liability	$ 10,066	9,953

The Group's defined benefit plans are funded by contributions to a labor pension reserve account held at the Bank of Taiwan, in accordance with the Labor Standards Act. Retirement benefits for employees subject to this Act are calculated based on years of service and the average salary for the six months prior to retirement.

(1)Composition of Plan Assets

The retirement fund contributed in accordance with the Labor Standards Act is managed by the Bureau of Labor Funds (the "Bureau") of the Ministry of Labor. According to the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund," the annual rate of return on fund assets shall not be lower than the interest rate on a two-year time deposit with local banks.

As of the reporting date, the balance of the Group's pension reserve account at the Bank of Taiwan was $14,508 thousand. Information regarding the return on plan assets and asset allocation can be obtained from the official website of the Bureau of Labor Funds.

(2)Movements in the Present Value of the Defined Benefit Obligation

The changes in the present value of the defined benefit obligation for the years ended December 31, 2024 and 2023 were as follows:

	Years Ended December 31	
	2024	**2023**
Balance at January 1	$ 24,499	28,692
Current service cost and interest	290	352
Remeasurements:		
–Actuarial (gain) loss from changes in financial assumptions	(925)	109
–Experience adjustments	1,165	(4,654)
Balance at December 31	**$ 25,029**	**24,499**

(3) Movements in the Fair Value of Plan Assets

The changes in the fair value of plan assets for the years ended December 31, 2024 and 2023 were as follows:

	Years Ended December 31	
	2024	**2023**
Balance at January 1	$ (12,852)	(12,225)
Interest income	(152)	(149)
Remeasurements:		
–Return on plan assets (excluding interest)	(1,137)	(110)
Contributions paid into the plan	(367)	(368)
Balance at December 31	**$ (14,508)**	**(12,852)**

(4) Effect of the Asset Ceiling

The effect of the asset ceiling for the years ended December 31, 2024 and 2023 was nil.

(5) Amounts Recognized in Profit or Loss

The components of defined benefit cost recognized in profit or loss for the years ended December 31, 2024 and 2023 were as follows:

	Years Ended December 31	
	2024	**2023**
Net interest on net defined benefit liabilities (assets)	$ 138	203
Operating costs	$ 40	58
Selling and marketing expenses	11	17
General and administrative expenses	47	70
Research and development expenses	40	58
	$ 138	203

(6) Actuarial Assumptions

Significant actuarial assumptions used at the end of the reporting period are as follows:

	December 31, 2024	**December 31, 2023**
Discount rate	1.65%	1.20%
Expected rate of salary increase	2.00%	2.00%

The Group expects to contribute $367 thousand to its defined benefit plans during the year following the reporting date.

The weighted average duration of the defined benefit obligation is 8 years.

(7) Sensitivity Analysis

The sensitivity analysis below shows the effects of changes in key actuarial assumptions on the present value of the defined benefit obligation as of the dates indicated:

	Impact on defined benefit obligation	
	+0.25%	**-0.25%**
December 31, 2024		
Discount rate (change0.25%)	$ (492)	507
Salary increase rate (change0.25%)	504	(491)
December 31, 2023		
Discount rate (change0.25%)	(535)	553
Salary increase rate (change0.25%)	548	(532)

The above sensitivity analyses are based on a change in a single assumption while holding all other assumptions constant. In practice, it is unlikely that changes will occur in isolation, as some assumptions may be correlated.

The methods and assumptions used in preparing the sensitivity analyses are consistent with those used in the previous reporting period.

2. Defined Contribution Plans
The Group makes monthly contributions to the individual pension accounts of employees under the Labor Pension Act at a rate of 6% of the employees' monthly salaries and wages. Once contributions are made to the Bureau of Labor Insurance, the Group has no further legal or constructive obligations to make additional payments.

Pension expenses under the defined contribution plans for the years ended December 31, 2024 and 2023 amounted to $24,032 thousand and $29,975 thousand, respectively, and were contributed to the Bureau of Labor Insurance.

(XXI) Income tax

1. The Group's income tax expense (benefit) are as follows:

	Years Ended December 31	
	2024	**2023**
Current tax expenses (benefit)		
Current period	$ 62,067	(3,841)
Adjustments for prior periods	(7,280)	(736)
	54,787	(4,577)
Deferred tax benefit		
Occurrence of temporary difference	(45,833)	(54,482)
Income tax expense (benefit)	**$ 8,954**	**(59,059)**

The Group's income Tax Recognized in Other Comprehensive Income are as follows:

	Years Ended December 31	
	2024	**2023**
Items Not Reclassified to Profit or Loss:		
Remeasurement of defined benefit plans	**$ 179**	**931**

2. The Group's reconciliation of Income Tax Expense and Accounting Profit are as follows:

	Years Ended December 31	
	2024	**2023**
Profit (loss) before tax	$ 78,837	(169,431)
Income tax calculated at statutory tax rate	2,265	(33,886)
Effect of different tax rates for consolidated entities	405	(10,047)
Investment tax credits	-	(4,755)
Non-deductible expenses	(127)	15,729
Recognition of previously unrecognized tax losses	-	(2,191)
Changes in unrecognized temporary differences	18,395	(9,164)
Overestimation in prior years	(7,280)	(14,745)
Others	(4,704)	-
	$ 8,954	**(59,059)**

3. Deferred Tax Assets and Liabilities

(1)Recognized Deferred Tax Assets and Liabilities

The movements of deferred tax assets and liabilities for the years ended December 31, 2024 and 2023 are summarized in tabular format as follows:

		Deferred revenue	Equity-Method Loss	Inventory write-downs	Allowance	Product Warranty Provision	Loss Carryforwards	Others	Total
Deferred Tax Assets:									
Balance at January 1, 2024	$	72,003	308,465	46,650	28,249	3,172	10,282	24,948	493,769
Debit/(Credit) to Profit or Loss		(8,892)	(70,647)	3,101	(7,019)	405	6,009	(7,669)	(84,712)
Debit/(Credit) to Other Comprehensive Income		-	-	-	-	-	-	(179)	(179)
Exchange Differences		26	72	1,105	1,308	87	(4,860)	391	(1,871)
Balance at December 31, 2024	$	63,137	237,890	50,856	22,538	3,664	11,431	17,491	407,007
Deferred Tax Assets:									
Balance at January 1, 2023	$	80,315	271,153	36,990	41,491	3,451	-	19,680	453,080
Debit/(Credit) to Profit or Loss		(8,313)	37,351	10,053	(12,929)	(308)	10,282	6,341	42,477
Debit/(Credit) to Other Comprehensive Income		-	-	-	-	-	-	(931)	(931)
Exchange Differences		1	(39)	(393)	(313)	29	-	(142)	(857)
Balance at December 31, 2023	$	72,003	308,465	46,650	28,249	3,172	10,282	24,948	493,769

		Tax Differences on PPE	Equity-Method Income	Intangible Assets	Timing Difference on Sales	Unrealized Exchange Gains	Total
Deferred Tax Liabilities:							
Balance at January 1, 2024	$	126,962	123,538	164,785	3,321	4,920	423,526
Debit/(Credit) to Profit or Loss		(4,754)	(123,429)	(10,679)	-	10,715	(128,147)
Exchange Differences		4,467	8	11,952	116	56	16,599
Balance at December 31, 2024	$	126,675	117	166,058	3,437	15,691	311,978
Balance at January 1, 2023	$	135,239	118,882	173,574	2,331	7,311	437,337
Debit/(Credit) to Profit or Loss		(4,689)	4,656	(10,630)	1,049	(2,391)	(12,005)
Exchange Differences		(3,588)	-	1,841	(59)	-	(1,806)
Balance at December 31, 2023	$	126,962	123,538	164,785	3,321	4,920	423,526

4. Income Tax Assessment

The Corporation and its domestic subsidiaries have had their income tax returns assessed by the tax authorities through 2022.

(XXII) Capital and other equity

As of December 31, 2024 and 2023, the Corporation's authorized capital stock was $2,000,000 thousand, with a par value of $10 per share, totaling 200,000 thousand shares. The issued ordinary shares were 167,142 thousand shares and 159,610 thousand shares, respectively. All issued shares have been fully paid up.

The reconciliation of shares outstanding for the years 2024 and 2023 is as follows:

	Years Ended December 31		
		2024	**2023**
Balance on January 1	$	159,610	134,115
Issued for cash		-	25,000
Capital reserve converted to capital		7,532	-
Exercise of share options		-	495
Balance on December 31	$	167,142	159,610

1. Issuance of ordinary shares

On May 27, 2024, the Corporation, through the shareholders' general meeting resolution, issued new shares of $75,323 thousand without consideration from the capital surplus obtained by issuing shares above fair value, and was approved by the FSC on July 3, 2024. Additionally, the board of directors approved to set July 26, 2024 as the reference date of capital increase, and have completed the change registration on August 27, 2024.

On March 23, 2023, the Corporation, through the board of directors' resolution, was operating the insurance of 25,000 thousand new shares, with par value of $10 and total amount of $250,000 thousand, and it was approved by the FSC on April 27, 2023. Additionally, the board of directors approved to set June 19, 2023 as the reference date of capital increase, and the registration was completed on July 20, 2023. The underwriting fee expense of $2,668 thousand from issuing shares belongs to necessary issuance cost and is recorded as a deduction from capital surplus.

2. Capital surplus

The Group's capital surplus balance is as follows:

	December 31, 2024	**December 31, 2023**
Issuance of ordinary shares	$ 1,843,175	1,918,498
Treasury share transaction	127,204	127,204
Changes in ownership interests in subsidiaries	2,733	2,619
Conversion of bonds	660,998	660,998
Employee share options	49,764	47,262
Gain on disgorgement	140	140
	$ 2,684,014	2,756,721

According to the Company Act, the capital surplus must first be used to offset a deficit then may be distributed as cash dividends or transferred to share capital.

The realized capital surplus referred to in the preceding paragraph includes the issuance of ordinary shares above fair value and the income received from donations. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers regulations, the capital surplus that can be transferred to share capital shall not exceed ten percent of the Corporation's paid-in capital each year.

On May 27, 2024, the Corporation, through the shareholders' general meeting resolution, distributed stock dividends of $75,323 thousand from capital surplus, with relevant information available at the Market Observation Post System.

3. Retained earnings

Under the policy as set forth in the amended Articles, where the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings from previous years shall be used by the Corporation's board of directors as the basis for proposing a distribution plan of new issued shares which should be resolved in the shareholders' meeting for the distribution. The board of directors is authorized to adopt a special resolution to distribute dividends and bonuses in cash and a report of such distribution should be submitted in the shareholders' meeting.

The Corporation considered overall business environment, industrial growth, undistributed retained earnings, capital surplus, financial structure, and operating condition for the distribution of earnings in order to maintain stable development and secure equity of investors. The appropriations of earnings should be higher than ten percent of undistributed retained earnings. If the undistributed retained earnings are less than one percent of the paid-in capital, then the earnings shall be transferred to retained earnings and not distributed to shareholders. The Corporation is entitled to distribute bonuses in shares or in cash; cash bonus should not be less than ten percent of total bonuses. If cash bonus will be less than $1 per share, then the Corporation shall distribute all bonuses in shares.

(1)Legal reserve

When the company has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, it may be used to be distributed as bonuses in shares or in cash through the resolution of the board of directors. under shareholders' equity

(2)Special reserve

According to the FSC regulations, when the Corporation distributes distributable earnings, the net amount of other deductions from shareholder' equity recorded during the current year should be deducted from the current period's after-tax net profit. The resulting amount, along with any items included in the current period's undistributed earnings other than the after-tax net profit, as well as the undistributed earnings from the previous period, should be used to allocate additional special reserves. For the amount of other deductions from shareholders' equity accumulated in previous periods, it must be allocated to the special reserve from the previous period's undistributed earnings and cannot be distributed. When the amount of other deductions from shareholder' equity is reversed, the reversed portion may be distributed as earnings.

(3)Earnings appropriations

The 2023 loss recovery plan had been resolved by the shareholders' meeting on May 27, 2024; the 2022 earnings appropriation plan had been resolved by the shareholders' meeting on May 26, 2023.

The amounts of dividends distributed to the owners are as follows:

	Year Ended December 31, 2022	
	Amount per share	**Total amount**
Dividends distributed to ordinary shareholders:		
Cash	$ 0.50	**62,813**

The Corporation proposed the distribution of earnings for the year 2023 during the board meeting held on March 12, 2025. The amounts of cash dividends to be distributed to the shareholders are as follows:

	Year Ended December 31, 2024		
	Amount per share		Total amount
Dividends distributed to ordinary shareholders			
Cash	$	0.5370	87,158

4. Treasury shares

The Corporation repurchased treasury shares in accordance with Section 28(2) of the Securities and Exchange Act to motivate employees and enhance their loyalty. The changes in the number of treasury shares for the years 2023 and 2022 are as follows:

	Years Ended December 31		
	2024		2023
Balance at the beginning of January 1	$	8,963	9,452
Transferred during the period		-	(489)
Balance at the end of December 31	$	8,963	8,963

On January 3, 2023, the Corporation transferred 489 thousand shares to employees. For more information on employee stock options, please refer to Note VI (XXIII).

The treasury shares held by the Corporation may not be pledged and do not confer any shareholder rights before their transfer, in accordance with the Securities and Exchange Act.

5. Other equity

	Exchange differences on translation of foreign financial statements		Unrealized (loss) gain on financial assets at FVTOCI	Total
Balance at January 1, 2024	$	(103,756)	(21,928)	(125,684)
Exchange differences on translation of the financial statements of foreign entities		113,847	(14,266)	99,581
Balance at December 31, 2024	$	10,091	(36,194)	(26,103)
Balance at January 1, 2023	$	(118,910)	(7,267)	(126,177)
Exchange differences on translation of the financial statements of foreign entities		15,154	(14,661)	493
Balance at December 31, 2023	$	(103,756)	(21,928)	(125,684)

(XXIII) Share-based payments

The Group had the following share-based payments transactions:

	Equity Settlement			
Type	**Employee Share Options**	**Treasury Shares Employee Share Options**	**The 5th Treasury Shares Transferred to Employee**	**Shares Issued Reserved for Employee Subscription**
Grant-date	December 21, 2017	November 30, 2021	January 3, 2023	June 5, 2023
Given quantity (thousand/unit)	4,000	2,000	489	25,000
Duration	6 years	4 years	0.1 year	0.02 year
Subscription price per share (NTD)	42.95	30.05	11.05	40.25
Adjusted subscription price per share (NTD)	34.90	-	30.00	33.00

1. Employee share options

(1)The Corporation issued 4,000 thousand employee share options on March 29, 2017 through the board of directors' resolution. Each unit of share options entitles the holder to subscribe for 1 share, issued as new shares. The holders are limited to the Corporation's employees, and the employees of domestic and overseas subsidiaries in which the Corporation directly or indirectly holds more than 50% of the shares of the same invested companies. The options were granted at an exercise price equal to the closing price of the Corporation's ordinary shares at the grant date. The issuance will be completed within one year from the date of receipt of the effective notice from the competent authority and may be issued in one or multiple times as needed. The aforementioned employee stock options were declared effective to the Securities and Futures Bureau of FSC on May 18, 2017 and were all issued by the board of directors on December 21, 2017. The fair value of the share options on the grant date was $42.95.

The options granted to the holders after the second anniversary from the grant date, except during the period of suspension of transfer in accordance with the law, the cumulative exercisable ratio of share options is as follows:

Granted Share Options Period	**Cumulative Exercisable Ratio of Share Options**
After the second anniversary from the grant date	50%
After the third anniversary from the grant date	75%
After the fourth anniversary from the grant date	100%

(2)Measurements at fair value on the grant date

Issuance of ordinary shares under employee share option at fair value on the grant date was priced using the Black-Scholes pricing model, and the inputs to the model are as follows:

	Employee Share Options on December 31, 2017
Expected volatility (%)	28.17%
Expected life (in years)	6 years
Risk-free interest rate (%)	0.63%～0.71%

(3) The detailed information of the employee share options is as follows:

	Year Ended December 31, 2023	
	Weighted-average Exercise Price ($)	**Number of Options (In Thousands of Shares)**
Balance at January 1	$ 34.90	2,691
Options Exercised during the Period	34.90	(495)
Options Expired during the Period	-	(2,196)
Outstanding as of December 31	-	-
Exercisable as of December 31	-	-

2. Treasury share options to employees

(1)On March 9, 2022, the board of directors of the Corporation approved the issuance of employee stock options. A total of 2,000 thousand options were granted, with each option entitling the holder to subscribe for one share of common stock. The new shares will be issued exclusively to employees of the subsidiaries indirectly held by the Corporation. The subscription price for the shares will be determined according to the parent company's regulations for transferring treasury shares to employees. The vesting period will begin from the date the employee starts providing services, which is November 30, 2021, and lasts for four years. The fair value of the stock options on the grant date is $40.11 within the six-month lock-up period and $44.00 after the lock-up period.

The options granted to the holders after the first anniversary from the grant date, except during the period of suspension of transfer in accordance with the law, the cumulative exercisable ratio of share options is as follows:

Granted Share Options Period	Cumulative Exercisable Ratio of Share Options
After the first anniversary from the grant date	50%
After the second anniversary from the grant date	75%
After the third anniversary from the grant date	100%

Note: According to the above schedule, seventy five percent of every subscription should be lock-up for six months, rest of them are no restriction.

According to the regulations on the transfer of treasury shares of the Corporation, if there is an increase in the issued ordinary shares before the transfer, the execution price may be adjusted according to the ratio of the increase in the issued shares.

(2)Measurements at fair value on the grant date

Issuance of ordinary shares under employee share option at fair value on the grant date was priced using the Black-Scholes pricing model, and the inputs to the model are as follows:

	Treasury Shares Employee Share Options
Expected volatility (%)	39.53%-46.21%
Expected life (in years)	4 years
Risk-free interest rate (%)	0.44%-0.51%

(3)The aforementioned employee share options are as follows:

	Year Ended December 31, 2024			
	2024		2023	
	Weighted-average Exercise Price ($)	Number of Options (In Thousands of Shares)	Weighted-average Exercise Price ($)	Number of Options (In Thousands of Shares)
Balance at January 1	30.05	2,000	30.05	2,000
Quantity given in this period	-	-	-	-
Balance at December 31	**30.05**	**2,000**	**30.05**	**2,000**

The information regarding the outstanding employee share options for the years 2024 and 2023 is as follows:

	December 31, 2024	December 31, 2023
Exercise price range	$ 30.05	30.05
Weighted-average remaining contract period (in years)	0.92	1.00~2.00

(4) Employee expenses

The expenses of issuance of ordinary shares under employee share options are as follows:

	Years Ended December 31	
	2024	2023
Employee share options expenses	$ 2,530	5,945

3. The fifth treasury shares transferred to employees

(1)On May 11, 2022, the Corporation, through the board of directors' resolution, repurchased treasury shares, and granted qualified employees of the Group 489 thousand treasury share options on January 3, 2023. The holders are limited to the Corporation's employees who meet specific conditions. The weighted-average fair value of the share options on the grant date is $11.05, and the weighted-average price of the actual repurchase of treasury shares is $8,376 thousand.

(2)Measurements at fair value on the grant date

Issuance of ordinary shares under employee share option at fair value on the grant date was priced using the Black-Scholes pricing model, and the inputs to the model are as follows:

	Treasury Shares Transferred to Employees
Expected volatility (%)	3.00%
Expected life (in days)	37
Risk-free interest rate (%)	1.65%

(3)The aforementioned treasury share options are as follows:

	Year Ended December 31, 2023	
	Weighted-average Exercise Price ($)	Number of Options (In Thousands of Shares)
Balance at January 1	$ 30	489
Quantity executed in this period	30	(489)
Executable at December 31	-	-

4. Issuance of shares reserved for employee subscription

(1)On March 23, 2023, the Corporation, through the board of directors' resolution, issued a total of 25,000 thousand shares of ordinary stock. The issuance of shares, in accordance with Article 267 of the Company Act, reserved a portion of shares for employee subscription. The grant date of employee share options is June 5, 2023, and the fair value of the share options on the grant date is $40.25.

(2)Measurements at fair value on the grant date

Issuance of ordinary shares under employee share option at fair value on the grant date was priced using the Black-Scholes pricing model, and the inputs to the model are as follows:

	Issuance of Shares Reserved for Employee Subscription
Expected volatility (%)	30.81%
Expected life (in years)	0.02
Risk-free interest rate (%)	1.03%

(3)The aforementioned treasury share options are as follows:

	Year Ended December 31, 2023
Employee share options expenses	$ 18,150

(XXIV) Earnings (Loss) per share

The calculation of basic and diluted earnings (loss) per share for the Group is as follows:

	Years Ended December 31	
	2024	2023
Basic earnings (loss) per share		
Net income (loss) for the period attributable to holders of ordinary shares of the Corporation	$ 71,952	(122,770)
Weighted-average number of ordinary shares outstanding	158,179	138,842
	$ 0.45	(0.88)
Diluted earnings (loss) per share		
Net income attributable to holders of ordinary shares of the Corporation (basic)	$ 71,952	
Weighted average number of ordinary shares	158,179	
Effect of potentially dilutive ordinary shares	29	
Weighted average number of ordinary shares (after adjusting for potentially dilutive ordinary shares impact)	158,208	
	$ 0.45	

The Group is net loss for the year ended December 31, 2023, the diluted earnings per share was not calculated due to the anti-dilution effect.

(XXV) Revenue from contracts with customers

1. Disaggregation of revenue

	Years Ended December 31	
	2024	**2023**
Main product/service line:		
Sporting goods	$ 6,911,521	7,171,131
Furniture	275,871	603,478
Other revenue	29,685	11,862
	$ 7,217,077	7,786,471

2. Contract balances

	December 31, 2024	**December 31, 2023**	**January 1, 2023**
Notes receivable	$ 1,892	984	940
Accounts receivable	1,306,472	1,201,732	1,333,623
Less: loss allowance	(97,758)	(130,688)	(238,231)
Total	$ 1,210,606	1,072,028	1,096,332
Contract liabilities	$ 73,924	145,721	177,567

For notes receivable and accounts receivable and their impairment disclosures, please refer to Note VI(V).

The contract liability balances as of January 1, 2024, and January 1, 2023, were recognized as revenue in the amounts of $145,721 thousand and $177,567 thousand, respectively, during the years 2024 and 2023.

(XXVI) Employee and director remuneration

According to the Corporation's Articles of Incorporation, if the Corporation makes a profit in a fiscal year, no less than 1% should be allocated as employee compensation and no more than 5% as director compensation. However, if the Corporation has accumulated deficits, the amount should be reserved in advance to offset previous years' losses. The recipients of the employee compensation, whether in the form of shares or cash, include employees of controlled or subsidiary companies who meet certain conditions.

For the year ended December 31, 2024, the employee compensation accrued by the Corporation was $869 thousand, while the director compensation accrued was $0 thousand. These amounts were estimated based on the Corporation's pre-tax net profit, excluding employee and director compensation, multiplied by the percentages specified in the Corporation’s Articles of Incorporation, and were reported as operating expenses for the period. Since the Corporation had a net loss before tax for 2023, no employee or director compensation was accrued for that year. Relevant information can be found on the Market Observation Post System website. The employee and director compensation amounts determined by the board of directors are consistent with the estimates reported in the Corporation’s financial statements for 2024 and 2023.

(XXVII) Non-operating income and expenses

1. Interest income

The Group's interest income is as follows:

	Years Ended December 31	
	2024	**2023**
Interest income from bank deposits	$ 13,041	13,357
Other interest income	690	47
	$ 13,731	**13,404**

2. Other income

The Group's other income is as follows:

	Years Ended December 31	
	2024	**2023**
Rental income	$ 9,263	9,924
Other	61,485	25,016
	$ 70,748	**34,940**

3. Other profits and losses

The Group's other profits and losses are as follows:

	Years Ended December 31	
	2024	**2023**
Foreign exchange profits	$ 183,795	15,117
Net loss of financial assets at fair value through profit or loss	(119,062)	(30,660)
Other profits and expenses	(2,262)	(5,580)
	$ 62,471	**(21,123)**

4. Financing costs

The Group's financing costs are as follows:

	Years Ended December 31	
	2024	**2023**
Interest expenses - Bank borrowings	$ 96,462	86,685
Interest expenses - Convertible bonds	-	10,216
Interest expenses - Lease liabilities	1,202	993
	$ 97,664	**97,894**

(XXVIII) Financial instruments

1. Credit Risk

(1)Exposure to Credit Risk

The carrying amounts of financial assets and contract assets represent the maximum exposure to credit risk.

(2)Concentration of Credit Risk

As of December 31, 2024, and 2023, the concentration of credit risk from the top 10 customers of the Group accounted for 53.34% and 60.34% of the total accounts receivable, respectively.

(3)Credit Risk of Receivables

For information on the exposure to credit risk of notes receivable and accounts receivable, please refer to Note VI(V). Other financial assets measured at amortized cost are other receivables, and details of the allowance for losses are provided in Note VI(VI).

Other receivables are financial assets with low credit risk; therefore, the allowance for losses during the period is measured based on the twelve-month expected credit loss. The changes in allowance for losses for the years 2024 and 2023 are as follows:

	Other Receivables
Balance at December 31, 2024 (as of balance at January 1, 2024)	$ 39,500
Balance at December 31, 2023 (as of balance at January 1, 2023)	$ 39,500

2. Liquidity risk

The following are the contractual maturities of financial liabilities of the Group, including estimated interest payments and excluding the impact of netting arrangements.

	Carrying Amount	Contractual Cash Flow	Within 6 Months	6-12 Months	1-2 Years	More Than 2-5 Years
December 31, 2024						
Non-derivative financial liabilities						
Long-term and short-term borrowings (including those maturing within one year)	$ 4,055,705	4,476,551	2,007,330	273,652	343,626	1,851,943
Notes receivable, accounts receivable and other receivables	1,521,486	1,521,486	1,521,486	-	-	-
Guarantee deposits	1,975	1,975	606	800	269	300
Long-term accounts receivable	44,014	44,014	-	-	44,014	-
Lease liabilities (including those maturing within one year)	57,786	60,199	10,356	9,614	10,057	30,172
	$ 5,680,966	6,104,225	3,539,778	284,066	397,966	1,882,415
December 31, 2023						
Non-derivative financial liabilities						
Long-term and short-term borrowings (including those maturing within one year)	$ 4,333,344	4,522,154	1,751,174	779,266	337,354	1,654,360
Ordinary corporate bonds (including within one year)	1,200	1,200	1,200	-	-	-
Notes receivable, accounts receivable and other receivables (Including related parties)	1,451,005	1,451,005	1,451,005	-	-	-
Guarantee deposits	1,715	1,715	1,715	-	-	-
Long-term accounts receivable	58,829	60,034	-	-	28,372	31,662
Lease liabilities (including those maturing within one year)	25,539	26,525	7,458	4,997	6,571	7,499
	$ 5,871,632	6,062,633	3,212,552	784,263	372,297	1,693,521

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

3. Market risk

(1)Currency risk

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

	December 31, 2024			December 31, 2023		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets						
Monetary items						
USD:TWD	$ 52,260	32.7850	1,713,344	104,968	30.7050	3,223,042
JPY:TWD	38	0.2099	8	-	-	-
EUR:TWD	452	34.1400	15,431	777	33.9800	23,858
CNY:TWD	6	4.4780	27	12,080	4.3270	52,270
CAD:TWD	411	22.8200	9,379	3,584	23.2000	83,149
GBP:TWD	3,839	41.1900	158,128	4,175	39.1500	163,451
THB:TWD	1	0.9623	1	-	-	-
EUR:USD	18	1.0413	615	78	1.1067	2,650
CNY:USD	277	0.1366	1,240	511	0.1409	2,211
GBP:USD	78	1.2564	3,213	77	1.2750	3,015
USD:CNY	3,628	7.3213	118,944	1,991	7.0961	61,134
GBP:EUR	7	1.2065	288	29	1.1521	1,135
USD:JPY	23	156.1934	754	23	141.3674	706
USD:CAD	3,205	1.4367	105,076	523	1.3235	16,059
EUR:GBP	-	-	-	25	0.8679	850
USD:HKD	2	7.8099	66	-	-	-
CNY:HKD	6	1.0698	27	-	-	-
USD:THB	10	33.2236	341	-	-	-
Financial liabilities						
Monetary items						
USD:TWD	3,659	32.7850	119,960	2,408	30.7050	73,938
CNY:TWD	159,037	4.4780	712,168	91,688	4.3270	396,734
CNY:USD	9,452	0.1366	42,326	7,567	0.1409	32,742
GBP:USD	244	1.2564	10,050	103	1.2750	4,032
USD:CNY	428	7.3213	14,032	27	7.0961	829
USD:JPY	13,644	156.1934	447,319	984	141.3674	30,214
USD:CAD	2,580	1.4367	84,585	340	1.3235	10,440
EUR:TWD	65	34.1400	2,219	-	-	-
GBP:TWD	244	41.1900	10,050	-	-	-
EUR:USD	8	1.0413	273	-	-	-
USD:THB	1,535	33.2236	50,325	-	-	-

The foreign currency risk of the Corporation mainly arises from profits and losses in foreign exchange conversion in cash and cash equivalents, accounts receivable, and other receivables, accounts payable, and other payables. As of December 31, 2024 and 2023, if the TWD depreciates against major currencies by 1%, while all other factors remain unchanged, the after-tax net profit for the years ended December 31, 2024 and 2023 will increase by $5,288 thousand and $30,556 thousand, respectively. The analysis of the 2 periods is based on the same foundation.

Due to the variety of functional currencies of the Group, the information on the profits and losses of monetary items in foreign exchange conversion is disclosed in an aggregate method. The profits and losses in foreign exchange conversion (including realized and unrealized) for the years ended December 31, 2024 and 2023 are as of $183,795 thousand and $15,117 thousand, respectively.

(2)Interest rate risk

The Group's financial assets and exposure to interest rates for financial liabilities are explained in the liquidity risk management notes.

The sensitivity analysis below was based on the Group's exposure to interest rates for derivative and non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year. A 25-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's pre-tax loss as of December 31, 2024 and 2023 would decrease by $10,139 thousand and $10,833 thousand, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

(3)Other price risks

If the equity securities price changes (analysis of the two periods uses the same basis, assuming other variables remain unchanged) on the reporting date, the impact on comprehensive profit and loss items is as follows:

	Years Ended December 31	
	2024	2023
Equity securities price on the reporting date	**Post-tax profit and loss**	**Post-tax profit and loss**
Increase 3%	$ 1,294	4,040
Decrease 3%	$ (1,294)	(4,040)

4. Fair value information

(1)Categories and Fair Values of Financial Instruments

The fair value of financial assets and liabilities at fair value through profit and loss and 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 investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required:

	December 31, 2024				
		Fair value			
	Carrying Amounts	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL					
Non-derivative financial assets held for trading	$ 43,117	3,500	-	39,617	43,117
Financial assets at FVTOCI					
Stocks listed on domestic markets	$ 11,437	11,437	-	-	11,437
Stocks unlisted on domestic markets	4,934	-	-	4,934	4,934
Stocks unlisted on foreign markets	20,442	-	-	20,442	20,442
Subtotal	36,813	11,437	-	25,376	36,813
Financial assets at amortized cost					
Cash and cash equivalents	$ 1,159,244	-	-	-	-
Notes receivable, accounts receivable and other receivables	1,228,414	-	-	-	-
Financial bonds (financial assets at amortized cost -current and non-current)	39,342	-	-	-	-
Financial assets at amortized cost - current	7,975	-	-	-	-
Guarantee deposits paid	26,880	-	-	-	-
Subtotal	2,461,855	-	-	-	-
Financial liabilities at amortized cost					
Short-term borrowings	$ 1,953,595	-	-	-	-
Notes payable, accounts payable and other payables	1,521,485	-	-	-	-
Leasing liabilities (including current and non-current)	57,786	-	-	-	-
Long-term borrowings due within 1 year or 1 business cycle	271,439	-	-	-	-
Long-term borrowings	1,830,671	-	-	-	-
Long-term accounts payable	44,014	-	-	-	-
Guarantee deposits received	1,975	-	-	-	-
Subtotal	5,680,965	-	-	-	-

	December 31, 2023				
		Fair value			
	Carrying Amounts	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at FVTPL					
Non-derivative financial assets mandatorily measured at FVTPL	$ 118,124	-	-	118,124	118,124
Non-derivative financial assets held for trading	16,555	-	-	16,555	16,555
Subtotal	134,679	-	-	134,679	134,679
Financial assets at FVTOCI					
Private Stocks listed on domestic markets	$ 8,966	8,966	-	-	8,966
Stocks unlisted on domestic markets	6,865	-	-	6,865	6,865
Stocks unlisted on foreign markets	35,139	-	-	35,139	35,139
Subtotal	50,970	8,966	-	42,004	50,970
Financial assets at amortized cost					
Cash and cash equivalents	$ 1,158,512	-	-	-	-
Notes receivable, accounts receivable and other receivables	1,087,127	-	-	-	-
Financial bonds (financial assets at amortized cost - current and non-current)	36,846	-	-	-	-
Financial assets at amortized cost - current	52,390	-	-	-	-
Guarantee deposits paid	78,064	-	-	-	-
Subtotal	2,412,939	-	-	-	-
Financial liabilities at amortized cost					
Short-term borrowings	$ 2,118,015	-	-	-	-
Notes payable, accounts payable and other payables (including related parties)	1,451,272	-	-	-	-
Leasing liabilities (including current and non-current)	25,539	-	-	-	-
Convertible bonds - liabilities component	1,200	-	1,200	-	1,200
Long-term borrowings due within 1 year or 1 business cycle	296,527	-	-	-	-
Long-term borrowings	1,918,802	-	-	-	-
Long-term accounts payable (including related parties)	66,198	-	-	-	-
Guarantee deposits received	11,715	-	-	-	-
Subtotal	5,889,268	-	1,200	-	1,200

(2)Valuation techniques for financial instrument not measured at fair value

The valuation techniques and assumptions used for financial instrument not measured at fair value that the Group estimates are as follows:

(2.1)Financial assets measured at amortized cost

If there are active market quotes, the market price is used as the fair value; if there is no market price available for reference, valuation techniques or counterparty quotes will be adopted.

(2.2)Financial liabilities measured at amortized cost

If recent transaction prices or market maker quotes are available, the fair value is based on such information. If there is no quoted market price available, the fair value is determined by using valuation techniques and calculated as the present value of the estimated cash flows.

(3)Valuation techniques for financial instrument measured at fair value

(3.1)Non-derivative financial instruments

If there are active market quotes, the market price is used as the fair value. The fair value of listed equity instruments and debt instruments with active market quotes is based on the market prices announced by the central government bond trading centers of major exchanges and those judged to be actively traded.

If timely and frequent public quotations of financial instruments can be obtained from exchanges, brokers, underwriters, industry associations, pricing service agencies, or regulatory authorities, and such prices represent actual and frequent fair market transactions, then the financial instruments have active market public quotations. If the above conditions are not met, the market is considered inactive. In general, significant bid-ask spreads, and a notable increase in bid-ask spreads or very low trading volumes are all indicators of an inactive market.

For the financial instruments held by the Group in an active market, its fair value is listed by category and nature as follows:

The fair values of financial assets and financial liabilities with standard terms and conditions traded in active markets, such as listed shares, are based on the market prices.

Apart from the aforementioned financial instruments with active markets, the fair value of other financial instruments is estimated by using valuation techniques or by referring to counterparty quotations. The fair value estimated through valuation techniques can refer to the current fair value of other financial instruments with substantially similar conditions and characteristics, the discounted cash flow method, or other valuation techniques, including the calculations using models based on available market information on the consolidation reporting date (TPEx reference yield curve, Reuters commercial paper interest rate average quotation).

For the financial instruments held by the Group in an unactive market, its fair value is listed by category and nature as follows:

Equity instruments without publicly available quotes: The fair value is estimated using the discounted cash flow model, where the major assumption involves discounting the investee’s expected future cash flows using a discount rate that reflects the time value of money and investment risk.

(3.2)Derivative financial instruments

It is evaluated based on widely accepted valuation models by market users, such as the discounted cash flow method and the option pricing model. Forward foreign exchange contracts are usually valued based on the current forward rate. Structured interest rate derivative financial instruments are priced using appropriate option pricing models (Black-Scholes model) or other valuation methods, such as Monte Carlo simulation.

(4)Transfers between different levels

The shares held by the Group that have no public market quotation and are measured at fair value using significant unobservable inputs are classified as Level 3.for the years ended December 31, 2024 and 2023, there were no changes in the valuation techniques for their fair value, and thus there were no transfers between levels during these periods.

(5)Movement in Level 3

		Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Balance on January 1, 2024	$	134,679	42,004	176,683
Total profit or loss				
Recognized in profit or loss		(119,062)	-	(119,062)
Recognized in other comprehensive income		-	(16,666)	(16,666)
Purchases		24,000	-	24,000
Effects of changes in foreign exchange rates		-	38	38
Balance on December 31, 2024	**$**	**39,617**	**25,376**	**64,993**
Balance on January 1, 2023	$	147,639	53,938	201,577
Total profit or loss				
Recognized in profit or loss		(30,360)	-	(30,360)
Recognized in other comprehensive income		-	(11,868)	(11,868)
Purchases		17,400	-	17,400
Effects of changes in foreign exchange rates		-	(66)	(66)
Balance on December 31, 2023	**$**	**134,679**	**42,004**	**176,683**

The aforementioned total profit or loss are reported under “Other Profit and Loss” and “Unrealized Valuation Profit (Loss) of Financial Assets Measured at FVTOCI”.

Among them, those related to the assets still held on December 31, 2024 and 2023 are as follows:

		Years Ended December 31	
		2024	**2023**
Total profit or loss			
Recognized in profit or loss (reported in “Profit (Loss) of Financial Assets (liabilities) at FVTPL”)	$	(119,062)	(30,360)
Recognized in other comprehensive income (reported in “Unrealized Valuation Profit (Loss) of Financial Assets Measured at FVTOCI”)		(16,666)	(11,868)

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

Those of the Group at fair value classified as Level 3 are mainly financial assets at FVTPL - equity securities investments, derivative financial instruments, private equity fund investments, and financial assets at FVTOCI - equity securities investments.

The majority of the fair values within the Group are classified as Level 3, having only a single significant unobservable input. However, investments in equity instruments without an active market have multiple significant unobservable inputs. These significant unobservable inputs for equity investments without an active market are independent of each other, so no correlations exist between them.

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 FVTOCI – equity instruments investments without an active market	Discounted Cash Flow Method	·Lack of market liquidity discount (20%~45% as of December 31, 2024 and 2023)	·Lack of market liquidity The higher the discount, the lower the fair value
Financial assets at FVTPL - redemption right of convertible bonds	1. Option Pricing Model 2. Probability-Weighted Expected Return Method	·Volatility rate (59.1%) ·Risk-adjusted discount rate 1.73%~11.70% as of December 31, 2023	·The higher the volatility rate, the higher the fair value ·The lower the risk-adjusted discount rate, the higher the fair value
Financial assets at FVTPL - limited partnership	Net assets value	·Net assets value	·The higher the net assets value, the higher the fair value

(7)For fair value in level 3, sensitivity analysis of fair value to reasonably possible alternative assumptions

The Group’s fair value of financial instruments is reasonable, but using different valuation models or valuation techniques may lead to different valuation results. For financial instruments classified as level 3, the impact on current profit and loss or other comprehensive income due to changes in valuation techniques is as follows:

	Inputs	Up or down Changes	Changes in fair value reflected in current profit and loss		Changes in fair value reflected in other comprehensive income	
			Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
December 31, 2024						
Financial assets at FVTPL						
Limited partnership	Net assets value	1%	396	(396)	-	-
Financial assets at FVTOCI						
Investment in equity instruments without an active market	Discounted Cash Flow Method	1%	-	-	254	(254)
December 31, 2023						
Financial assets at FVTPL						
Convertible bonds	Discounted Cash Flow Method	1%	1,181	(1,181)	-	-
Limited partnership	Net assets value	1%	166	(166)	-	-
Financial assets at FVTOCI						
Investment in equity instruments without an active market	Discounted Cash Flow Method	1%	-	-	420	(420)

(XXIX) Financial risk management

1. Summary

The consolidated company is exposed to the following risks due to its use of financial instruments:

(1)Credit Risk
(2)Liquidity Risk
(3)Market Risk

This note presents the exposure information for the risks listed above, as well as the consolidated company's objectives, policies, and procedures for measuring and managing these risks. For further quantitative disclosures, please refer to the notes to the consolidated financial statements.

2. Risk Management Framework

The consolidated company's primary financial instruments include equity instrument investments, receivables, payables, borrowings, and lease liabilities. The financial management department of the consolidated company coordinates operations in both domestic and international financial markets, analyzing the risk supervision and management of financial risks related to the company's operations according to their degree and breadth. These risks include market risk (including exchange rate risk and interest rate risk), credit risk, and liquidity risk.

The consolidated company mitigates these risks through the use of derivative financial instruments. The use of these instruments is governed by policies approved by the board of directors. Internal audit personnel continuously review compliance with policies and exposure limits. The consolidated company does not engage in trading financial instruments (including derivatives) for speculative purposes.

3. Credit Risk

Credit risk is the risk of financial loss arising from the failure of customers or counterparties to fulfill their contractual obligations. This primarily arises from receivables from customers and securities investments.

(1)Receivables and Other Receivables

The policy adopted by the consolidated company is to only engage in transactions with reputable parties and, when necessary, obtain collateral to reduce the risk of financial loss due to defaults. The consolidated company only engages in transactions with entities that have a credit rating equivalent to investment-grade. These ratings are provided by independent rating agencies. If such ratings are not available, the consolidated company uses other publicly available financial information and trading records with major customers to assess creditworthiness. The consolidated company continuously monitors credit exposure and credit ratings of counterparties, spreading the total transaction amount across customers with acceptable credit ratings. Credit exposure is also controlled by credit limits set and reviewed annually by the Risk Management Committee.

The consolidated company does not hold any collateral or other credit enhancements to mitigate credit risk related to financial assets.

(2)Investments

Credit risk related to bank deposits, fixed-income investments, and other financial instruments is measured and monitored by the financial department. Since the consolidated company’s counterparties and performance obligors are reputable banks and financial institutions with investment-grade ratings, there are no significant concerns regarding credit risk.

(3)Guarantees

The Corporation’s policy specifies that financial guarantees can only be provided to entities with which the Corporation has business dealings and to companies where the Corporation holds direct or indirect equity of over 90%. As of December 31, 2024 and 2023, the consolidated company has not provided any endorsement guarantees to external parties.

4. Liquidity Risk

Liquidity risk is the risk that the consolidated company may not be able to meet its financial obligations as they become due, either by settling with cash or other financial assets. The Corporation manages liquidity risk by ensuring that, under both normal and stressed conditions, it has sufficient liquid funds to meet its maturing liabilities without incurring unacceptable losses or reputational damage.

Additionally, as of December 31, 2024 and 2023, the unused borrowing limits amounted to $2,914,929 thousand and $1,781,312 thousand, respectively.

5. Market Risk

Market risk refers to the risk of fluctuations in market prices, such as exchange rates, interest rates, and equity instrument prices, which could affect the consolidated company's earnings or the value of financial instruments held. The goal of managing market risk is to control the exposure to market risk within acceptable limits and to optimize investment returns.

(1)Exchange Rate Risk

The consolidated company is exposed to exchange rate risk arising from sales, purchases, and borrowings denominated in currencies other than the functional currency of the respective group entities. The functional currencies of group entities are primarily

New Taiwan Dollar (NTD), with additional exposure in USD, RMB, EUR, GBP, and CAD. These transactions are primarily denominated in NTD, USD, RMB, EUR, and JPY.

For monetary assets and liabilities denominated in foreign currencies, when short-term imbalances occur, the Corporation buys or sells foreign currencies at current exchange rates to ensure that net exposure remains within acceptable levels. Therefore, hedge accounting is not applied.

(2)Interest Rate Risk

The Corporation's policy is to assess interest rate exposure on borrowings in accordance with international economic conditions and market interest rate trends.

(3)Other Market Price Risks

The consolidated company faces equity price exposure due to its investments in listed equity securities. These investments are managed on a fair value basis and are actively monitored for performance. Additionally, the Corporation holds non-listed equity investments as long-term strategic investments and does not actively trade these equity holdings.

(XXX) Capital management

The consolidated company's objectives for managing capital are to safeguard the ability to continue operations, to provide a return to shareholders, to maintain the interests of other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the consolidated company may adjust dividend payments to shareholders, reduce capital to redistribute funds to shareholders, issue new shares, or sell assets to settle liabilities.

The capital management strategy of the consolidated company for the fiscal year 2024 is consistent with that of 2023, aiming to optimize the balance between debt and equity while maintaining a solid capital base to ensure financing at a reasonable cost. The debt-to-equity ratio as of the reporting date is as follows:

	December 31, 2024	December 31, 2023
Total liabilities	$ 6,172,217	6,517,497
Less: cash and cash equivalents	(1,159,244)	(1,158,512)
Net debt (A)	**$ 5,012,973**	**5,358,985**
Total equity	**$ 4,951,581**	**4,771,677**
Total capital (B)	**$ 9,964,554**	**10,130,662**
Debt-to-equity ratio (A/B)	**50.31%**	**52.90%**

Note: Total capital is composed of all components of equity (i.e., share capital, capital surplus, retained earnings, other equity, and non-controlling interests) plus net debt.

As of December 31, 2024, the capital management approach of the consolidated company remains unchanged.

(XXXI) Liabilities adjustments of financing activities

The non-cash financing activities of the Group for the years ended December 31, 2024 and 2023 are as follows:

1. Acquired right-of-use assets through leasing, please refer to Note VI(XII).
2. The adjustments from the financing activities are as follows:

	January 1, 2024	Cash Flows	Non-cash changes: Transfer of Other payables	New Leases	Lease Termination	Exchange Rate Changes
Short-term borrowings	$ 2,118,015	(167,482)	-	-	3,062	1,953,595
Bonds payable	1,200	(1,200)	-	-	-	-
Long-term borrowings	2,215,329	(123,271)	-	-	10,052	2,102,110
Guarantee deposits received	1,715	192	-	-	68	1,975
Leasing liabilities (including current and non-current)	25,539	(19,225)	57,217	(6,764)	1,019	57,786
Total liabilities from financing activities	$ 4,361,798	(310,986)	57,217	(6,764)	14,201	4,115,466

	January 1, 2023	Cash Flows	Non-cash changes: Transfer of Other payables	New Leases	Lease Termination	Exchange Rate Changes	December 31, 2023
Short-term borrowings	$ 2,390,915	(300,981)	30,000	-	-	(1,919)	2,118,015
Bonds payable	1,398,537	(1,407,553)	-	-	10,216	-	1,200
Long-term borrowings	1,702,749	541,876	(30,000)	-	-	704	2,215,329
Guarantee deposits received	3,140	(1,439)	-	-	-	14	1,715
Leasing liabilities (including current and non-current)	40,230	(20,781)	-	5,169	-	921	25,539
Total liabilities from financing activities	$ 5,535,571	(1,188,878)	-	5,169	10,216	(280)	4,361,798

VII. Related-Party Transactions

(I) Names and relationship with related parties

During the period covered by the Consolidated Financial Statements, the related parties that had transactions with the Corporation are as follows:

Name of Related Party	Relationship with the Corporation
Morsel Inc.	Associate of the Corporation
Houli Construction Co., Ltd.	Director of the Corporation as the responsible person of that company (Note)
Liu ○○	Key management personnel of the subsidiary

Note: Has not been a director of the Corporation since May 2023..

(II) Significant transactions with related parties

1. Payables to related parties

Payables of the Group from related parties were as follows:

Item	Related Parties Category	December 31, 2024	December 31, 2023
Other payables (including current and non-current)	Associates	$ -	15,967

2. Property transactions

(1)Purchase of property, plant and equipment

The total acquisition price paid by the Group to related parties for property, plant and equipment is as follows:

	Years Ended December 31	
	2024	**2023**
Other related parties	$ -	50,550

(2)Acquisition of other intangible assets

The total acquisition price of other intangible assets paid by the Group to related parties is as follows:

	Years Ended December 31	
	2024	**2023**
Other related parties	$ 10,306	20,139

(III) Key management personnel remuneration

Key management personnel remuneration comprised:

	Years Ended December 31	
	2024	**2023**
Short-term employee benefits	$ 122,846	109,645
Post-employment benefits	1,133	1,168
	$ 123,979	110,813

VIII. Pledged Assets

The carrying amounts of assets pledged as collateral provided by the Corporation are as follows:

Name of Assets	Underlying Pledged Collateral	December 31, 2024	December 31, 2023
Property, plant and equipment	Bank loan	$ 2,199,456	2,230,810
Right-of-use assets	Bank loan	260,363	263,819
Investment properties	Bank loan	133,211	18,690
Pledge deposits - current (Recorded as other current assets and financial assets measured at amortized cost - current)	Bank loan and bonds payable	22,628	23,390
		$ 2,615,658	2,536,709

IX. Commitments and contingencies

The unrecognized contractual commitments of the purchase of property, plant and equipment are as follows:

	December 31, 2024	December 31, 2023
Acquisition of property, plant and equipment	$ 154,890	426,471

X. Losses Due to Major Disasters: None.

XI. Subsequent Events

(I) On November 12, 2024, the Corporation's Board of Directors approved a cash capital increase through the issuance of 12,000 thousand common shares, with a par value of $10 per share, and a proposed premium issue price of $25 per share. This cash capital increase was declared effective by the Financial Supervisory Commission (FSC) in its letter No. 1130367745 on January 20, 2025, and the Board of Directors resolved on February 13, 2025, to set March 27, 2025, as the record date for the capital increase.

(II) On November 12, 2024, the Corporation's Board of Directors approved the issuance of its fourth unsecured convertible bonds in the domestic market, with a total issuance amount of $200,000 thousand, issued at par value. The term of the bonds is three years, with a coupon rate of zero. The convertible bonds were declared effective by the FSC in its letter No. 11303677451 on January 20, 2025, and the issuance date was set as March 3, 2025.

(III) On February 13, 2025, the Corporation's Board of Directors approved the transfer of repurchased treasury shares to employees at $24.09 and $22.30 per share, respectively, for the second and third repurchase transactions, with the number of shares transferred being 2,572 thousand shares and 1,565 thousand shares, respectively.

XII. Other

(I) The summary of employee benefits, depreciation, depletion, and amortization expenses by function is as follows:

Function / Nature	Year Ended December 31, 2024			Year Ended December 31, 2023		
	Operating costs	**Operating expenses**	**Total**	**Operating costs**	**Operating expenses**	**Total**
Employee benefits						
Salary	244,642	699,865	944,507	263,095	687,388	950,483
Labor and health insurance	12,448	100,625	113,073	20,502	52,452	72,954
Pension	6,209	17,961	24,170	8,960	21,218	30,178
Others	1,343	15,258	16,601	11,427	15,992	27,419
Depreciation	71,726	121,188	192,914	88,374	94,982	183,356
Depletion	-	-	-	-	-	-
Amortization	2,242	83,183	85,425	-	82,791	82,791

XIII. Other Disclosures

(I) Information on significant transactions

The following were 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 as follows:

1. Loans to other parties:

Unit: NT$ thousands

No.	Name of lender	Name of borrower	Account name	Related Party	Highest balance of financing to other party during the Period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reason for short-term financing	Allowance for bad debts	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	Dyaco International Inc.	DYACO UK LIMITED	Other receivables from related parties	Yes	105,889	99,301	99,301	-	Business relationship	120,329	Business transaction	-	None	-	120,329	1,819,584
0	Dyaco International Inc.	SPIRIT MANUFACTURING INC	Other receivables from related parties	Yes	191,074	-	-	-	Business relationship	786,929	Business transaction	-	None	-	786,929	1,819,584
0	Dyaco International Inc.	Fitness Equipment Service, LLC	Other receivables from related parties	Yes	1,013,735	618,225	618,225	-	Business relationship	1,248,277	Business transaction	-	None	-	1,248,277	1,819,584
0	Dyaco International Inc.	SPIRIT DIRECT LLC	Other receivables from related parties	Yes	82,934	82,934	82,934	-	Business relationship	82,934	Business transaction	-	None	-	82,934	1,819,584
0	Dyaco International Inc.	City Sport Co., Ltd	Other receivables from related parties	Yes	57,738	-	-	-	Short-term financing	-	Operating turnover	-	None	-	909,792	1,819,584
0	Dyaco International Inc.	Sweatband.com, Ltd	Other receivables from related parties	Yes	24,714	-	-	-	Short-term financing	-	Operating turnover	-	None	-	1,819,584	1,819,584
0	Dyaco International Inc.	Wing Long Co., Ltd.	Other receivables from related parties	Yes	11,000	6,000	-	-	Short-term financing	-	Operating turnover	-	None	-	1,819,584	1,819,584
0	Dyaco International Inc.	IUVO Industry Co., Ltd.	Other receivables from related parties	Yes	60,000	-	-	-	Short-term financing	-	Operating turnover	-	None	-	1,819,584	1,819,584
1	Fuel Spirit International Inc.	Dyaco International Inc.	Other receivables from related parties	Yes	65,570	-	-	-	Short-term financing	-	Operating turnover	-	None	-	81,804	81,804
1	Fuel Spirit International Inc.	City Sport Co., Ltd	Other receivables from related parties	Yes	46,901	46,901	42,478	-	Short-term financing	-	Operating turnover	-	None	-	81,804	81,804
1	Fuel Spirit International Inc.	Sweatband.comLtd	Other receivables from related parties	Yes	24,714	24,714	24,714	-	Short-term financing	-	Operating turnover	-	None	-	40,902	81,804
2	Cikayda Inc	Wing Long Co., Ltd.	Other receivables from related parties	Yes	4,000	4,000	4,000	-	Short-term financing	-	Operating turnover	-	None	-	6,603	6,603
2	Cikayda Inc	IUVO Industry Co., Ltd.	Other receivables from related parties	Yes	6,500	-	-	-	Short-term financing	-	Operating turnover	-	None	-	6,603	6,603

Note 1: The method for filling in the number is as follows

1: «0» represents the parent company

2: Subsidiaries are sequentially numbered from 1 by company.

Note 2: The maximum loan amount of the Group is limited to 40% of the net value in the Group's most recent financial statement.

Note 3: The maximum financing of a parent to a subsidiary in which the lending company directly and indirectly holds over 100% voting shares is limited to 100% of the net value of the lending company; the maximum financing to other individual corporations is limited to 40% of the net value of the lending company.

Note 4: Loans between foreign companies in which this company directly or indirectly holds 100% of the voting shares, or loans from such foreign companies to this company, are limited to 80% of the net assets value of the lending company, both in total loan amount and the amount loaned to a single entity.
Note 5: For companies or firms that have business transactions with the Group, the individual loan amount shall not exceed the amount of business transactions between the two parties. The "amount of business transaction" refers to the higher amount among the purchase or sales amounts between the two parties.
Note 6: For companies, other companies, or firms in which the Corporation holds more than 50% of the shares and has a need for short-term financing, the maximum loan amount shall not exceed 40% of the Corporation's net assets value. The individual loan amount, except for subsidiaries in which the Corporation directly or indirectly holds more than 90% of the ordinary share equity, shall not exceed 40% of the Corporation's net value. For others, it shall not exceed 20% of the Corporation's net assets value.
Note 7: The above transactions have already been offset during the preparation of the Consolidated Financial Statements.

2. Guarantees and endorsements for other parties:

Unit: NT$ thousands

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements During the Period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Amount of Property pledged on guarantees and endorsements	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/guarantees to subsidiary	Subsidiary endorsements/guarantees to parent company	Endorsements/guarantees to the company in mainland China
		Name	Relationship										
0	Dyaco International Inc.	Wing Long Co., Ltd.	2	2,274,481	5,000	5,000	855	-	0.11%	2,274,481	Y	N	N
0	Dyaco International Inc.	IUVO Industry Co., Ltd.	2	2,274,481	50,000	50,000	50,000	-	1.10%	2,274,481	Y	N	N
1	President Plastic Productions MFG. Co., Ltd.	Dyaco International Inc.	4	2,274,481	300,000	300,000	300,000	300,000	13.19%	2,274,481	N	Y	N

Note 1: «0» represents the parent company.
Note 2: The relationships with the Corporation are defined as follows:
1. Companies with business transactions.
2. A company that the Corporation directly and indirectly holds more than 50% of its voting shares.
3. Companies holding directly and indirectly more than 50% of the voting shares of the Corporation.
4. A company that the Corporation directly and indirectly holds more than 90% of its voting shares.
5. Companies that mutually insure each other based on contractual agreements due to the needs of the construction or co-builders.
6. A company guaranteed by all shareholders according to their shareholding ratio due to a joint investment relationship.
7. Joint guarantee for the pre-sale house sales contracts between companies in the same industry in accordance with Consumer Protection Act.

Note 3: Except for subsidiaries in which the parent company directly or indirectly holds more than 90% of the voting shares, where the endorsement/guarantee limit shall not exceed 50% of their net assets value, the endorsement/guarantee limit for individual entities shall not exceed 10% of their net assets value. The endorsement/guarantee limit for a subsidiary providing an endorsement/guarantee for its parent company shall not exceed 50% of the parent company's net assets value. Additionally, the total endorsement/guarantee limit shall not exceed 50% of the subsidiary's net assets value.
Note 4: The above transactions have already been offset during the preparation of the Consolidated Financial Statements.

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

Unit: NT$ thousands

Name of holder	Category and name of security	Relationship with company	Account	Ending balance: Shares	Carrying Amount	Percentage of Ownership	Fair Value	Notes
Dyaco International Inc.	Stock–Energy Moana Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income (FVTOCI) - non-current	300,000	423	0.73 %	423	1.09%
〃	Stock – Firenze Cultural Exchange International Co., Ltd.	-	〃	750,000	4,511	7.50 %	4,511	7.50%
〃	Stocks–Inalways Corporation	-	〃	588,000	11,437	1.19 %	11,437	1.19%
〃	Stock – Uniigym Global Holdings Limited.	-	〃	250,000	1,601	2.08 %	1,601	2.24%
〃	Stock – Gomore Inc.	-	〃	15,772,892	17,704	4.40 %	17,704	4.40%
〃	Limited Partnership–Changneng Capital Limited Partnership	-	Financial assets at fair value through profit or loss - current	-	39,617	- %	39,617	- %
	Funds -HSBC Super Core	-	〃	-	3,500	- %	3,500	- %
〃	Convertible bonds – 2.5-year financial debentures of Mega International Commercial Bank	-	Financial assets at amortized cost - current and non-current	-	6,557	- %	6,557	- %
〃	Convertible bonds – 12-year financial debentures of Mega International Commercial Bank	-	〃	-	13,114	- %	13,114	- %
〃	Convertible bonds – 8-year financial debentures of Mega International Commercial Bank	-	〃	-	11,475	- %	11,475	- %
〃	Convertible bonds – 8-year financial debentures of Mega International Commercial Bank		〃	-	8,196	- %	8,196	- %
Dyaco (Shanghai) Trading Co., Ltd.	Stock–Beijing Huoli Zhenghe Intelligent Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income (FVTOCI) – non-current	-	1,137	9.00 %	1,137	9.00%

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

5. Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:

Unit: NT$ thousands

Name of the company	Name of property	Transaction Date	Transaction Amount	Status of payment	Counter-party	Relationship	Previous transfer information with related parties: Possessor	Relationship with the Issuer	Transaction date	Amount	Price reference	Purpose of purchases	Other terns
Dyaco International (Limited) Company	Yihe Section, Dajia District, Taichung City	June 4, 2024	480,000 (Note)	428,566	IUVO (Co., Ltd.)	Related party	Natural person	Non-related parties	December 2021	333,000	Appraisal	Group business assets integration plan	-

Note: The transaction amount includes the amount estimated based on the progress schedule of unfinished projects as appraised by the Corporation. The above transactions have already been offset during the preparation of the Consolidated Financial Statements.

6. Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital:

Unit: NT$ thousands

Name of the company	Name of the property	Transaction Date	Original acquisition date	Carrying amount	Transaction amount	Amount actually received	Gain (loss) on disposal	Counter-party	Relationship	Purpose of disposal	Price reference	Other terms
IUVO (Co., Ltd.)	Yihe Section, Dajia District, Taichung City	June 4, 2024	June 4, 2024	335,798	480,000 (Note)	428,566	(798)	Dyaco International (Limited) Company	Related person	Group business assets integration plan	Appraisal	

Note: The transaction amount includes the amount estimated based on the progress schedule of unfinished projects as appraised by the Corporation. The above transactions have already been offset during the preparation of the Consolidated Financial Statements.

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

Unit: NT$ thousands

Purchaser (seller)	Related party	Relationship	Transaction				Details of non-arm's length transaction		Notes and accounts receivable (payable)		Note
			Purchaser (seller)	Related party	Relationship	Purchaser (seller)	Unit Price	Credit period	Balance	Purchase (Sales)	
Dyaco International Inc.	FITNESS EQUIPMENT SERVICES, LLC	Second-tier subsidiary	Sales	1,283,168	38.54 %	Irregular payment	Agreements of Both parties	Irregular payment	765,908	47.37%	註1
Dyaco International Inc.	Spirit Manufacturing Inc.	Parent-subsidiary	Sales	785,733	23.60 %	〃	〃	〃	471,559	29.17%	註1
Dyaco International Inc.	Dyaco Canada Inc.	Parent-subsidiary	Sales	221,358	6.65 %	〃	〃	〃	95,021	5.88%	
Dyaco International Inc.	Shelton Corporation (Jiaxing), Ltd	Second-tier subsidiary	Purchase	1,087,536	48.59 %	〃	〃	〃	(711,245)	59.50%	
FITNESS EQUIPMENT SERVICES, LLC	Dyaco International Inc.	Ultimate parent	Purchase	1,283,168	93.00 %	〃	〃	〃	(765,908)	45.00%	
Spirit Manufacturing Inc.	Dyaco International Inc.	Ultimate parent	Purchase	785,733	85.00 %	〃	〃	〃	(471,559)	82.00%	
Dyaco Canada Inc.	Dyaco International Inc.	Ultimate parent	Purchase	221,358	48.00 %	〃	〃	〃	(95,021)	78.00%	
Shelton Corporation (Jiaxing), Ltd	Dyaco International Inc.	Ultimate parent	Sales	1,087,536	70.00 %	〃	〃	〃	711,245	80.00%	
Shelton Corporation (Jiaxing), Ltd	Fuel-Spirit International Inc.	Other related parties	Sales	121,548	8.00 %	〃	〃	〃	42,306	5.00%	
Fuel-Spirit International Inc.	Shelton Corporation (Jiaxing), Ltd	Other related parties	Purchase	121,548	7.00 %	〃	〃	〃	(42,306)	(154.00)%	

Note 1:Amounts not included are receivables that exceed the normal credit period and have been reclassified as other receivables.

Note 2:The above transactions have already been offset during the preparation of the Consolidated Financial Statements.

8. Receivables from related parties with amounts exceeding NT$100 million or 20% of capital stock:

Unit: NT$ thousands

Company recorded as receivable	Related party	Relationship	Ending balance	Turnover Rate	Overdue receivables		Amount received in subsequent period	Loss allowance
					Amount	Collection status		
Dyaco International Inc.	FITNESS EQUIPMENT SERVICES, LLC	Second-tier subsidiary	765,908	1.79%	Note 1,2	Note 1	114,748	Note 1,2

″	Spirit Manufacturing Inc.	Parent-subsidiary	471,559	1.79%	Note 1,2	Note 1	49,178	Note 1,2
Shelton Corporation (Jiaxing), Ltd.	Dyaco International Inc.	Ultimate parent	711,245	1.88%	Note 1,2	Note 1	7,342	Note 1,2

Note 1:Other receivables refer to financing provided of which the accounts receivable were transferred due to exceeding the credit period for a certain period of time.

Note 2:On December 31, 2024, the company reclassified the accounts receivable from related parties, which were overdue beyond the normal credit period, to other receivables. Furthermore, in accordance with Article 14 of the “Regulations Governing Loaning of Funds and Endorsements/Guarantees by Public Companies,” the most recent board of directors’ resolution (on May 13, 2024) approved the balance of loans extended and the actual amount disbursed.

Note 3:The above transactions have already been offset during the preparation of the Consolidated Financial Statements.

9. Trading in derivative instruments: None.

10. Intercompany relationships and significant intercompany transactions:

Unit: NT$ thousands

No.	Company name	Counter Party	Relationships	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets
0	Dyaco International Inc.	Spirit Direct, LLC.	1	Sales	23,260	Agreements of both parties	-%
〃	〃	〃	1	Other operating income	6,930	〃	-%
〃	〃	〃	1	Accounts receivable	20,432	〃	-%
〃	〃	〃	1	Other receivables	81,193	〃	1%
〃	〃	Fuel-Spirit International Inc.	1	Sales	51,837	〃	1%
〃	〃	〃	1	Other operating income	21,574	〃	-%
〃	〃	〃	1	Other operating income	26,401	〃	-%
〃	〃	〃	1	Accounts receivable	5,005	〃	-%
〃	〃	〃	1	Other payables	10,824	〃	-%
〃	〃	Dyaco Japan Co., Ltd.	1	Sales	11,952	〃	-%
〃	〃	〃	1	Other operating income	75	〃	-%
〃	〃	〃	1	Accounts receivable	10,214	〃	-%
〃	〃	〃	1	Other receivables	34,519	〃	-%
〃	〃	Dyaco (Shanghai) Trading Co., Ltd.	1	Sales	57,482	〃	1%
〃	〃	〃	1	Other operating income	221	〃	-%
〃	〃	〃	1	Accounts receivable	9,493	〃	-%
〃	〃	〃	1	Other payables	2	〃	-%
〃	〃	Spirit Manufacturing Inc.	1	Sales	779,838	〃	11%
〃	〃	〃	1	Other operating income	7,091	〃	-%
〃	〃	〃	1	Accounts receivable	471,559	〃	4%
〃	〃	〃	1	Other receivables	92,228	〃	1%
〃	〃	Dyaco Canada Inc.	1	Sales	221,213	〃	3%
〃	〃	〃	1	Other operating income	2,391	〃	-%
〃	〃	〃	1	Accounts receivable	89,795	〃	1%
〃	〃	〃	1	Other receivables	5,226	〃	-%
〃	〃	Dyaco Europe GmbH	1	Sales	20,220	〃	-%
〃	〃	〃	1	Other operating income– Discounts	5,238	〃	-%
〃	〃	〃	1	Accounts receivable	9,786	〃	-%
〃	〃	〃	1	Other receivables	13,000	〃	-%
〃	〃	Daan Health Management Consulting Co., Ltd.	1	Rental income	24	〃	-%
〃	〃	Shelton Corporation (Jiaxing), Ltd.	1	Cost of goods sold	1,087,536	〃	15%
〃	〃	〃	1	Accounts receivable	81	〃	-%

Dyaco International Inc. and subsidiaries
Notes to the Consolidated Financial Statements

No.	Company name	Counter Party	Relation ships	Transaction Details: Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets
〃	〃	〃	1	Accounts payable	711,245	〃	6%
〃	〃	Shelton Corporation (Jiaxing), Ltd.	1	Sales	121	〃	-%
〃	〃	Dyaco UK Ltd.	1	Sales	123,831	〃	2%
〃	〃	〃	1	Other operating income– Discounts	3,502	〃	-%
〃	〃	〃	1	Accounts receivable	73,514	〃	1%
〃	〃	〃	1	Other receivables	147,205	〃	1%
〃	〃	Wing Long Co., Ltd.	1	Sales	6	〃	-%
〃	〃	〃	1	Other expenses	535	〃	-%
〃	〃	〃	1	Other payables	176	〃	-%
〃	〃	Cardio Fitness GmbH&Co.KG	1	Sales	2,649	〃	-%
〃	〃	〃	1	Other operating income– Discounts	4,280	〃	-%
〃	〃	〃	1	Accounts receivable	1,872	〃	-%
〃	〃	〃	1	Other receivables	2,191	〃	-%
0	Dyaco International Inc.	Fitness Equipment Services LLC.	1	Sales	1,283,167	〃	18%
〃	〃	〃	1	Other operating income– Discounts	34,890	〃	-%
〃	〃	〃	1	Accounts receivable	765,908	〃	7%
〃	〃	〃	1	Other receivables	951,295	〃	9%
〃	〃	President Plastic Products MFG. Co., Ltd.	1	Accounts payable	3,200	〃	-%
〃	〃	〃	1	Guarantee deposits	900	〃	-%
〃	〃	〃	1	Interest expenses	35	〃	-%
〃	〃	〃	1	Depreciation expense	344	〃	-%
〃	〃	Cikayda Inc	1	Accounts payable	2,320	〃	-%
〃	〃	〃	1	Other receivables	70	〃	-%
〃	〃	〃	1	Rental income	100	〃	-%
〃	〃	Sweatband.com Ltd	1	Sales	6,668	〃	-%
〃	〃	〃	1	Other operating income– Discounts	1,880	〃	-%
〃	〃	〃	1	Accounts receivable	2,795	〃	-%
〃	〃	〃	1	Other receivables	6,482	〃	-%
〃	〃	City sports(THAILAND)CO,.LTD.	1	Sales	2,796	〃	-%
〃	〃	〃	1	Other operating income– Discounts	327	〃	-%
〃	〃	〃	1	Accounts receivable	61	〃	-%
〃	〃	〃	1	Other receivables	5,226	〃	-%
〃	〃	IUVO Industry Co., Ltd	1	Cost of goods sold	2,967	〃	-%
〃	〃	〃	1	Accounts receivable	8,660	〃	-%
〃	〃	〃	1	Land	335,000	〃	3%
〃	〃	〃	1	Construction in Progress	138,095	〃	1%
〃	〃	〃	1	Accounts payable	3,541	〃	-%
〃	〃	〃	1	Other payable	51,434	〃	-%
1	Fuel-Spirit International Inc.	Dyaco Canada Inc.	3	Other operating income	946	〃	-%
〃	〃	〃	3	Accounts receivable	268	〃	-%
〃	〃	City sports(THAILAND)CO,.LTD.	3	Accounts receivable	2,553	〃	-%
〃	〃	〃	3	Other receivables	42,478	〃	-%
2	Spirit Manufacturing Inc.	Dyaco Canada Inc.	3	Sales	19,230	〃	-%
〃	〃	〃	3	Other income	450	〃	-%
〃	〃	〃	3	Accounts receivable	3,295	〃	-%
3	Dyaco Canada Inc.	Fuel-Spirit International Inc.	3	Operating expenses	946	〃	-%
〃	〃	〃	3	Other payables	268	〃	-%

Dyaco International Inc. and subsidiaries
Notes to the Consolidated Financial Statements

No.	Company name	Counter Party	Relation ships	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets
〃	〃	Fitness Equipment Services LLC.	3	Operating expenses	454	〃	-%
〃	〃	〃	3	Other receivables	114	〃	-%
4	Dyaco Europe GmbH	Cardio Fitness GmbH&Co.KG	3	Sales	603	〃	-%
〃	〃	〃	3	Cost of goods sold	20,920	〃	-%
〃	〃	〃	3	Other operating income	17,004	〃	-%
〃	〃	〃	3	Other income	378	〃	-%
〃	〃	〃	3	Accounts receivable	1,525	〃	-%
〃	〃	Dyaco UK Ltd.	3	Sales	5,533	〃	-%
〃	〃	〃	3	Accounts payable	7,596	〃	-%
〃	〃	Sweatband.com Ltd	3	Sales	1,951	〃	-%
〃	〃	〃	3	Accounts payable	10	〃	-%
5	Cardio Fitness GmbH&Co.KG	Dyaco UK Ltd.	3	Sales	1,896	〃	-%
〃	〃	〃	3	Accounts receivable	734	〃	-%
6	Shelton Corporation (Jiaxing), Ltd.	Fuel-Spirit International Inc.	3	Sales	121,548	〃	2%
〃	〃	〃	3	Accounts receivable	42,306	〃	-%
〃	〃	〃	3	Other receivables	18	〃	-%
〃	〃	Dyaco (Shanghai) Trading Co., Ltd	3	Sales	45,370	〃	1%
〃	〃	〃	3	Accounts receivable	15,543	〃	-%
7	Dyaco UK Ltd.	Dyaco Europe GmbH	3	Sales	11,514	〃	-%
〃	〃	〃	3	Accounts receivable	7,638	〃	-%
〃	〃	Sweatband.com Ltd	1	Sales	256,505	〃	4%
〃	〃	〃	1	Accounts receivable	68,383	〃	1%
〃	〃	Cardio Fitness GmbH&Co.KG	3	Sales	61	〃	-%
〃	〃	〃	3	Accounts receivable	722	〃	-%
8	Fitness Equipment Services LLC.	Spirit Manufacturing Inc.	3	Other income	134	〃	-%
〃	〃	〃	3	Operating expenses	153	〃	-%
9	Cikayda Inc	IUVO Industry Co., Ltd.	3	Other receivables	4,000	〃	-%
10	Neutron Ventures Ltd	Sweatband.com Ltd	2	Other receivables	26	〃	-%
11	Interactive Online Commerce Ltd	Neutron Ventures Ltd	1	Other receivables	89,887	〃	1%
12	Neutron Ventures Poland S.p Z.o.o	Sweatband.com Ltd	3	Sales	21,321	〃	-%
〃	〃	〃	3	Accounts receivable	1,683	〃	-%
13	Sweatband.com Ltd	Interactive Online Commerce Ltd	2	Other receivables	213	〃	-%
〃	〃	Dyaco UK Ltd.	2	Sales	21,918	〃	-%
〃	〃	Dyaco Europe GmbH	3	Sales	4,907	〃	-%
〃	〃	〃	3	Accounts receivable	11	〃	-%
〃	〃	Cardio Fitness GmbH&Co.KG	3	Sales	11,387	〃	-%
〃	〃	〃	3	Accounts receivable	5,552	〃	-%

Note 1:Information on business transactions between the parent company and subsidiaries should be indicated separately in the number column. Companies are numbered as follows:
1. “0” represents the parent company
2. Subsidiaries are sequentially numbered from 1 by company.

Note 2:Transactions are categorized as follows： (if it is the same transaction between the parent and subsidiary or between subsidiaries, there is no need to repeat disclose. For example: transactions from the parent company to the subsidiary, if the parent company has disclosed, then the subsidiary does not need to disclose repeatedly; transactions from subsidiary to subsidiary, if one subsidiary has

disclosed, then the other subsidiary does not need to disclose repeatedly):
1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3:If the transaction amounts are related to the balance sheet accounts, the percentages are those of the year-end balances to the consolidated total assets. If the transaction amounts are related to the income statement accounts, the percentages are the total amounts of the period to the consolidated total sales.

Note 4:The significant transactions in this table may be disclosed by the Corporation based on the principle of materiality.

(II) Information on investees:

For the years ended December 31, 2024, the information of the Corporation's investment business is as follows (excluding invested companies in China):

Unit: NT$ thousands

Investor Company	Investee Company	Location	Main Businesses and Products	Initial Investment		Ending balance			Initial Investment	Net income (loss) of investee company	Investment income (loss) recognized	Note
				December 31, 2024	December 31, 2023	Number of Shares (In Thousands)	%	Carrying Amount				
Dyaco International Inc.	Dyaco International Holding Limited	Hong Kong	Investment	399,037	505,957	126,415,463	100.00%	1,055,303	100.00%	32,995	32,995	
Dyaco International Inc.	Dyaco Europe GmbH	Germany	Import, export and selling	545,860	545,860	-	100.00%	113,503	100.00%	(49,855)	(49,855)	
Dyaco International Inc.	Daan Health Management Consulting Co., Ltd.	Taiwan	Rental of medical equipment	10,010	10,010	1,000,000	100.00%	8,526	100.00%	(374)	(374)	
Dyaco International Inc.	Dyaco Japan Co., Ltd.	Japan	Import, export and selling	12,216	72,964	201,020	100.00%	(25,312)	100.00%	(16,554)	(16,554)	
Dyaco International Inc.	Wing Long Co., Ltd.	Taiwan	Import, export and selling	25,000	25,000	2,500,000	100.00%	3,242	100.00%	(1,716)	(1,716)	
Dyaco International Inc.	Dyaco UK Ltd.	United Kingdom	Import, export and selling	113,841	349,656	3,137,169	99.11%	15,206	99.11%	(119,620)	(118,401)	
Dyaco International Inc.	SOLE INC.	United States	Investment	1,642,867	1,642,867	-	100.00%	436,331	100.00%	(127,482)	(127,482)	
Dyaco International Inc.	President Plastic Productions MFG. Co., Ltd.	Taiwan	Rental of property	286,640	286,640	391,000	100.00%	288,700	100.00%	(63)	(63)	
Dyaco International Inc.	Cikayda Inc. Global Technology (Stock) Company	Taiwan	Manufacturing and selling	20,000	20,000	2,000,000	100.00%	16,508	100.00%	(788)	(788)	
Dyaco International Inc.	CITY SPORTS(THAILAND)CO., LTD	Thailand	Fitness equipment selling	12,450	12,786	176,000	44.00%	(6,777)	44.00%	(8,517)	(3,942)	
Dyaco International Inc.	Morsel Inc.	United States	Intelligent fitness content production company	27,750	32,450	909,090	11.00%	-	11.00%	-	-	註2
Dyaco International Inc.	Spirit Manufacturing Inc.	United States	Import, export and selling	372,654	281,369	1,668	100.00%	367,287	100.00%	10,472	10,472	
Dyaco International Inc.	Dyaco Canada Inc.	Canada	Import, export and selling	271,752	293,945	1,000	100.00%	251,410	100.00%	7,317	7,317	
Dyaco International Inc.	Hongda Xin Projection Industry (Co., Ltd.)	Taiwan	Film and television industry investment	4,000	4,000	400,000	40.00%	3,553	40.00%	(398)	(161)	
Dyaco International Inc.	Iuvo Industry Co., Ltd	Taiwan	Electric-assisted bicycle manufacturer	155,000	125,000	18,300,000	91.50%	105,118	91.50%	(32,061)	(13,107)	
Dyaco Europe GmbH.	CARDIO fitness GmbH & Co KG	Germany	Import, export and selling	216,813	281,012	-	100.00%	33,294	100.00%	(38,091)	(38,091)	
Dyaco Europe GmbH.	CARDIO fitness Verwaltungs GmbH	Germany	Investment	977	1,026	-	100.00%	842	100.00%	(92)	(92)	
SOLE INC.	Fitness Equipment Services, LLC	United States	Import, export and selling	63,262	66,465	-	100.00%	(243,381)	100.00%	(109,277)	(109,277)	
Dyaco International Holding Limited	Fuel-Spirit International Inc.	Mauritius	Import, export and selling	78,095	185,104	5,848,450	100.00%	102,255	100.00%	6,157	6,157	
Spirit Manufacturing Inc.	Spirit Direct, LLC	United States	Import, export and selling	62,118	63,300	-	100.00%	(41,592)	100.00%	(23,667)	(23,667)	
Dyaco UK Ltd.	Neutron Ventures Ltd	United Kingdom	Investment	194,673	145,492	308,070	100.00%	54,294	100.00%	(67,964)	(72,328)	
Neutron Ventures Ltd	Interactive Online Commerce Ltd	United Kingdom	Investment	172,400	192,293	-	100.00%	2,158	100.00%	(67,467)	(67,467)	

Neutron Ventures Ltd	Neutron Ventures Poland S.p Z.o.o	Poland	Service industry	34	1	-	100.00%	(162)	100.00%	(485)	(485)	
Interactive Online Commerce Ltd	Sweatband.com Ltd	United Kingdom	Sporting goods selling	171,386	191,105	-	100.00%	1,938	100.00%	(67,467)	(67,467)	

Note 1: The above equity investments belong to subsidiaries have already been offset during the preparation of Consolidated Financial Statements.

Note 2: The Group acquired the ordinary shares of Morsel, Inc. for US$1,000 thousand, (approximately NT$27,750 thousand), which accounted for 11% of Morsel Inc.'s total equity; and in accordance with the investment agreement, the parent company has the right to appoint one third of the director seats and the ability to exercise significant influence over Morsel Inc.

(III) Investment in Mainland China:

1. Information on any investee company in China, showing the name, principal business activities, etc.:

Unit: NT$ thousands

Investee Company	Main Businesses and Products	Total amount 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(Loss) of investee company	Percentage of Ownership	Highest shareholding or investment situation during the period	Investment Income (Loss) recognized	Carrying Amount as of December 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024
					Outward	Inward							
Dyaco (Shanghai) Trading Co., Ltd.	Import, export and selling	98,355	Note 1	94,950	-	-	94,950	16,541	100.00%	100.00%	16,541	137,554	-
Shelton Corporation (Jiaxing), Ltd.	Manufacturing and selling	616,358	Note 1	690,920	-	-	690,920	27,081	60.00%	60.00%	7,892	774,505	-
Kerr (Shanghai) Rehabilitation Technology Development Co., Ltd.	Healthcare management consulting	13,434	Note 2	-	-	-	-	(404)	40.00%	40.00%	(162)	2,649	-

Note 1: To invest in a company in China, the Corporation has established a company in third region.

Note 2: The Corporation reinvests through the investee companies in China.

2. Limitation on investment in mainland China:

Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Ceiling on Investment in Mainland China Imposed by The Investment Commission of MOEA
785,870	785,870	-

Note: According to Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China announced by Ministry of Economic Affairs (MOEA), the Corporation is not subject to an upper limit due to obtaining supporting document for operation headquarters of the company issued by Industrial Development Bureau, MOEA.

3. Significant transactions with investee companies in China:

For significant direct or indirect transactions with the invested company in China for the year ended December 31, 2024 (which have been offset when preparing the consolidated financial statements), please refer to Note XIII(I) "Significant Transactions".

(IV) Information of major shareholders:

Unit: Shares

Shares / Name of Major Shareholder	Number of Shares	Percentage of Ownership
Guang-Ying Limited	10,864,063	6.49%
ChuanFeng Investment Corporation	9,195,776	5.50%

Ho, I-Hsing Investment Corporation	9,056,300	5.41%

Note: The table discloses stockholding information of stockholders whose percentages are more than 5%. The Taiwan Depository & Clearing Corporation calculates the total number of ordinary shares that have completed the dematerialized registration and delivery on the last business day of the quarter. The stocks reported in the financial statements and the actual number of stocks that have completed the dematerialized registration and delivery may be different due to the basis of calculation.

XIV. Segment Information

(I) General Information

The Group has three reportable segments: Asia (including domestic operations), the Americas, and Europe. Each region is primarily engaged in the manufacturing and sales of various types of treadmills, elliptical machines, and outdoor furniture. The information provided to the chief operating decision maker for the purpose of allocating resources and assessing performance is based on the types of products or services delivered or provided in each geographic area.

The Group's reportable segments are strategic business units that provide different products and services. Each strategic unit is managed separately as it requires different technologies and marketing strategies. Most of the business units were acquired individually, and the management teams at the time of acquisition have been retained.

(II) Information about Segment Profit or Loss (Before Tax), Assets, Liabilities, and their Measurement and Reconciliation

The Group uses the segment profit before tax (excluding non-recurring items and foreign exchange gains or losses), based on the internal management reports reviewed by the chief operating decision maker, as the basis for allocating resources and evaluating performance. Since income tax, non-recurring items, and foreign exchange gains or losses are managed on a group basis, they are not allocated to individual reportable segments.In addition, not all reportable segments include significant non-cash items such as depreciation and amortization. The reported figures are consistent with those used by the chief operating decision maker.

Except for the recognition and measurement of pension costs, which are accounted for on a cash basis, the accounting policies applied to the operating segments are consistent with those described in Note IV, "Summary of Significant Accounting Policies."

Intersegment sales and transfers are treated as transactions with third parties and are measured at market prices.

The Group's operating segment information and reconciliation are as follows:

Year ended December 31, 2024	**Asia (including domestic)**	**Americas**	**Europe**	**Adjustment/ Eliminations**	**Total**
Revenue:					
Revenues from external customers	$ 1,565,646	4,609,666	1,041,765	-	7,217,077
Intersegment revenues	3,681,415	20,176	84,773	(3,786,364)	-
Interest income	9,797	3,908	26	-	13,731
Total	$ 5,256,858	4,633,750	1,126,564	(3,786,364)	7,230,808

Year ended December 31, 2024		**Asia (including domestic)**	**Americas**	**Europe**	**Adjustment/ Eliminations**	**Total**
Interest expenses	$	(85,370)	(11,229)	(1,151)	86	(97,664)
Depreciation and amortization		(112,597)	(107,828)	(25,483)	(32,431)	(278,339)
Share of profit (loss) of associates and joint ventures accounted for using equity method		(19,691)	(132,947)	(129,163)	281,478	(323)
Other material non-cash items:						
Segment income (loss) to be reported	**$**	**59,236**	**(84,759)**	**(169,416)**	**273,776**	**78,837**
Assets:						
Investments accounted for using equity method	$	6,136	-	-	-	6,136
Capital expenditure		375,935	68,788	25,054	-	469,777
Segment assets to be reported	**$**	**12,364,227**	**3,375,037**	**649,727**	**(5,265,193)**	**11,123,798**
Segment liabilities to be reported	**$**	**6,305,161**	**2,931,060**	**507,551**	**(3,571,555)**	**6,172,217**

Year ended December 31, 2023						
Revenue:						
Revenues from external customers	$	1,659,764	5,185,191	941,516	-	7,786,471
Intersegment revenues		4,521,201	107,048	40,451	(4,668,700)	-
Interest income		10,982	2,116	306	-	13,404
Total	**$**	**6,191,947**	**5,294,355**	**982,273**	**(4,668,700)**	**7,799,875**
Interest expenses	$	85,962	11,464	527	(59)	97,894
Depreciation and amortization		174,247	60,473	34,007	(2,580)	266,147
Share of profit (loss) of associates and joint ventures accounted for using equity method		478,217	-	(24,246)	(453,636)	335
Impairment of assets		2,350	-	-	(2,350)	-
Reportable segment profit or loss	**$**	**371,608**	**(302,357)**	**(213,625)**	**(25,057)**	**(169,431)**
Other material non-cash items:						
Investments accounted for using equity method	$	6,368	-	-	-	6,368
Capital expenditure		239,019	12,997	12,162	(80)	264,098
Segment assets to be reported	**$**	**6,712,085**	**3,853,384**	**723,705**	**-**	**11,289,174**
Segment liabilities to be reported	**$**	**2,846,112**	**3,248,443**	**422,942**	**-**	**6,517,497**

Year ended December 31, 2024	Asia (including domestic)	Americas	Europe	Adjustment/ Eliminations	Total

(III) Product and service information

Revenue from the external customers of the Group was as follows:

	Years Ended December 31	
Geographical information	**2024**	**2023**
Revenue from external customers:		
Treadmills	$ 3,973,286	4,074,597
Ellipticals	947,617	1,098,438
Exercise bikes	836,341	819,542
Furniture	275,871	568,128
Others	1,183,962	1,225,766
	$ 7,217,077	7,786,471

(IV) Geographic information

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

	Years Ended December 31	
Geographical information	**2024**	**2023**
Revenue from external customers:		
United States	$ 4,771,288	5,567,231
Europe	1,556,155	1,378,977
Taiwan	562,753	493,351
China	204,492	245,837
United States	122,389	101,075
	$ 7,217,077	7,786,471
Non-current assets:		
Americas	$ 1,640,123	1,629,075
Europe	804,216	167,151
Taiwan	3,015,447	2,883,446
China	171,403	826,587
Total	$ 5,631,189	5,506,259

Non-current assets include property, plant and equipment, investment property, intangible assets, and other assets, but exclude financial instruments and deferred tax assets.

(V) Major customers

The Group did not have any customers accounting for 10% or more of the total revenue in the statements of comprehensive income for the years ended 2024 and 2023.

	Years Ended December 31	
Geographical information	**2024**	**2023**
Revenue from external customers:		
Company A from the Americas region	$ 1,255,432	1,511,256
Company B from the Asia region	-	459,690
	$ 1,255,432	1,970,946