EIKEI GROUP (CAYMAN) CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2024 AND 2023

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of EIKEI Group (Cayman) Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of EIKEI Group (Cayman) Co., Ltd. and subsidiaries (the "Group") as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2024 consolidated financial statements are stated as follows:

Occurrence of sales revenue from significant new counterparties

<u>Description</u>

Please refer to Note 4(24) for accounting policies on revenue recognition. For the year ended December 31, 2024, the consolidated operating revenue amounted to NT$1,762,824 thousand. Please refer to Note 6(13) for details of operating revenue accounts.

The Group is primarily engaged in the sales of printed circuit boards and other goods. Most of the sales customers are companies with long-term and stable partnerships. As the sales revenue from top ten sales customers accounted for a higher proportion of the overall sales revenue, the occurrence of sales revenue from top ten sales customers has a significant impact on the Group's consolidated financial statements. Thus, we considered the occurrence of sales revenue from new top ten counterparties as a key audit matter.

<u>How our audit addressed the matter</u>

We performed the following audit procedures in respect of the above key audit matter:

A. Interviewed with management and obtained an understanding of the revenue recognition policy, and the consistency of the policy application during the comparative periods of financial statements.

B. Obtained an understanding and tested credit check procedures for significant new counterparties. Verified that the transactions with significant new counterparties have been properly approved and agreed with supporting documentation, which include searching transaction counterparty's related information.

C. Interviewed with management and obtained an understanding for the reason of accounts receivable overdue from significant new counterparties in order to evaluate the reasonableness.

D. Sampled and tested detailed sales revenue schedules of significant new counterparties and verified the original supporting documentation.

E. Sent accounts receivable confirmation letters to significant new counterparties. Investigated the reason and tested reconciling items made by the Group if the result in confirmation reply did not correspond to records, or tested collections after the balance sheet date if no confirmation reply was received.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, 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 judgement and maintain professional skepticism throughout the audit. We also:

A. 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.

B. 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.

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

D. 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.

E. 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.

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

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

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

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

Lin, Se-Kai	Lai, Chung-Hsi

For and on behalf of PricewaterhouseCoopers, Taiwan

March 14, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

EIKEI GROUP (CAYMAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2024 AMOUNT	%	December 31, 2023 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 340,899	31	$ 318,830	42
1150	Notes receivable, net	6(2) and 8	7,140	1	19,228	3
1170	Accounts receivable, net	6(2)	541,659	50	238,423	32
1200	Other receivables		13,941	1	8,370	1
1220	Current tax assets		7,926	1	6,202	1
130X	Inventories	6(3)	90,448	8	83,375	11
1410	Prepayments		19,364	2	10,465	1
1470	Other current assets		743	-	734	-
11XX	**Total current assets**		1,022,120	94	685,627	91
	Non-current assets					
1600	Property, plant and equipment	6(4)	41,467	4	42,680	6
1755	Right-of-use assets	6(5)	13,470	1	20,446	3
1780	Intangible assets		1,340	-	1,318	-
1840	Deferred tax assets	6(19)	3,055	-	1,951	-
1920	Guarantee deposits paid		4,857	1	4,395	-
15XX	**Total non-current assets**		64,189	6	70,790	9
1XXX	**Total assets**		$ 1,086,309	100	$ 756,417	100

(Continued)

EIKEI GROUP (CAYMAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Liabilities and equity	Notes	December 31, 2024 AMOUNT	%	December 31, 2023 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(2) and 8	$ 6,311	1	$ 18,552	2
2130	Current contract liabilities	6(13)	1,412	-	735	-
2170	Accounts payable		374,860	34	308,309	41
2200	Other payables	6(6)	52,549	5	29,744	4
2230	Current tax liabilities		28,712	3	35,504	5
2250	Current provisions		320	-	213	-
2280	Current lease liabilities		9,370	1	11,738	1
2365	Current refund liabilities	6(13)	4,333	-	6,044	1
2399	Other current liabilities, others		2,308	-	885	-
21XX	**Total current liabilities**		480,175	44	411,724	54
	Non-current liabilities					
2570	Deferred tax liabilities	6(19)	6,050	1	4,149	1
2580	Non-current lease liabilities		4,471	-	9,050	1
2600	Other non-current liabilities	6(7)	8,739	1	7,069	1
25XX	**Total non-current liabilities**		19,260	2	20,268	3
2XXX	**Total Liabilities**		499,435	46	431,992	57
	Equity					
	Share capital	6(9)				
3110	Ordinary share		208,500	19	175,500	23
	Capital surplus	6(10)				
3200	Capital surplus		146,187	14	-	-
	Retained earnings	6(11)				
3310	Legal reserve		23,105	2	12,161	2
3320	Special reserve		4,980	1	5,050	1
3350	Retained earnings		189,149	17	136,694	18
	Other equity	6(12)				
3400	Other equity interest		14,953	1	(4,980)	(1)
3XXX	**Total equity**		586,874	54	324,425	43
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 1,086,309	100	$ 756,417	100

The accompanying notes are an integral part of these consolidated financial statements.

EIKEI GROUP (CAYMAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

	Items	Notes	2024 AMOUNT	2024 %	2023 AMOUNT	2023 %
4000	Operating revenue	6(13)	$ 1,762,824	100	$ 1,426,278	100
5000	Operating costs	6(3)(17)(18)	(1,357,603)	(77)	(1,106,182)	(78)
5900	Gross profit		405,221	23	320,096	22
	Operating expenses	6(17)(18)				
6100	Selling expenses		(90,525)	(5)	(81,585)	(6)
6200	Administrative expenses		(145,951)	(8)	(106,829)	(7)
6300	Research and development expenses		(2,405)	-	(2,296)	-
6450	Expect credit impairment loss	12(2)	(578)	-	(996)	-
6000	Total operating expenses		(239,459)	(13)	(191,706)	(13)
6900	Operating profit		165,762	10	128,390	9
	Non-operating income and expenses					
7100	Interest income	6(14)	7,355	-	6,071	-
7010	Other income		429	-	683	-
7020	Other gains and losses	6(15)	14,509	1	9,688	1
7050	Finance costs	6(16)	(874)	-	(1,293)	-
7000	Total non-operating revenue and expenses		21,419	1	15,149	1
7900	**Profit before tax**		187,181	11	143,539	10
7950	Income tax expense	6(19)	(44,654)	(3)	(32,861)	(2)
8200	**Profit for the year**		$ 142,527	8	$ 110,678	8
	Other comprehensive income, net					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Losses on remeasurements of defined benefit plans	6(7)	($ 198)	-	($ 1,240)	-
8341	Other components of other comprehensive income that will not be reclassified to profit or loss	6(12)	29,585	2	378	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation	6(12)	(9,652)	(1)	(308)	-
8300	**Other comprehensive income (loss)**		$ 19,735	1	($ 1,170)	-
8500	**Total comprehensive income**		$ 162,262	9	$ 109,508	8
	Profit attributable to:					
8610	Owners of parent		$ 142,527	8	$ 110,678	8
	Comprehensive income attributable to:					
8710	Owners of parent		$ 162,262	9	$ 109,508	8
	Basic earnings per share	6(20)				
9750	Basic earnings per share		$	7.30	$	6.31
	Diluted earnings per share	6(20)				
9850	Diluted earnings per share		$	7.26	$	6.31

The accompanying notes are an integral part of these consolidated financial statements.

EIKEI GROUP (CAYMAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent						
				Retained earnings				
	Notes	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Total equity
Year ended December 31, 2023								
Balance at January 1, 2023		$ 175,500	$ -	$ 4,799	$ 19,008	$ 73,310	($ 5,050)	$ 267,567
Profit for the year		-	-	-	-	110,678	-	110,678
Other comprehensive (loss) income for the year	6(12)	-	-	-	-	(1,240)	70	(1,170)
Total comprehensive income for the year		-	-	-	-	109,438	70	109,508
Appropriation and distribution of earnings:	6(11)							
Legal reserve appropriated		-	-	7,362	-	(7,362)	-	-
Special reserve appropriated		-	-	-	(13,958)	13,958	-	-
Cash dividends		-	-	-	-	(52,650)	-	(52,650)
Balance at December 31, 2023		$ 175,500	$ -	$ 12,161	$ 5,050	$ 136,694	($ 4,980)	$ 324,425
Year ended December 31, 2024								
Balance at January 1, 2024		$ 175,500	$ -	$ 12,161	$ 5,050	$ 136,694	($ 4,980)	$ 324,425
Profit for the year		-	-	-	-	142,527	-	142,527
Other comprehensive (loss) income for the year	6(12)	-	-	-	-	(198)	19,933	19,735
Total comprehensive income for the year		-	-	-	-	142,329	19,933	162,262
Appropriation and distribution of earnings:	6(11)							
Legal reserve appropriated		-	-	10,944	-	(10,944)	-	-
Reversal of special reserve		-	-	-	(70)	70	-	-
Cash dividends		-	-	-	-	(79,000)	-	(79,000)
Issue of shares	6(9)(10)	33,000	146,042	-	-	-	-	179,042
Share-based payments	6(8)(10)	-	145	-	-	-	-	145
Balance at December 31, 2024		$ 208,500	$ 146,187	$ 23,105	$ 4,980	$ 189,149	$ 14,953	$ 586,874

The accompanying notes are an integral part of these consolidated financial statements.

EIKEI GROUP (CAYMAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 187,181	$ 143,539
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation charge	6(4)(5)(17)	16,299	15,790
Amortisation charge	6(17)	3,140	2,980
Expect credit impairment loss	12(2)	578	996
Net gains on financial liabilities at fair value through profit or loss	6(15)	-	(198)
Interest expense	6(16)	874	1,293
Interest income	6(14)	(7,355)	(6,071)
Share-based payments	6(8)(10)	145	-
Loss (gain) on disposal of property, plant and equipment	6(15)	6	(149)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		12,088	(3,370)
Accounts receivable		(303,814)	7,425
Other receivables		(5,571)	(1,730)
Inventories		(7,073)	21,194
Prepayments		(8,899)	4,107
Other current assets		(9)	657
Changes in operating liabilities			
Current contract liabilities		677	(1,608)
Accounts payable		66,551	25,937
Other payables		22,805	(1,884)
Current provisions		107	(969)
Current refund liabilities		(1,711)	4,498
Other current liabilities, others		1,423	(1)
Cash (outflow) inflow generated from operations		(22,558)	212,436
Interest received		7,355	6,071
Interest paid		(874)	(1,293)
Income taxes paid		(53,280)	(22,189)
Net cash flows (used in) from operating activities		(69,357)	195,025
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	6(4)	(1,261)	(1,842)
Proceeds from disposal of property, plant and equipment		227	177
Acquisition of intangible assets		(3,160)	(3,153)
(Increase) decrease in guarantee deposits paid		(462)	1,256
Net cash flows used in investing activities		(4,656)	(3,562)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings	6(21)	41,135	65,216
Repayments of short-term borrowings	6(21)	(53,957)	(62,126)
Payments of lease liabilities	6(21)	(11,348)	(10,976)
Cash dividends paid	6(21)	(79,000)	(52,650)
Proceeds from issuing shares	6(9)	179,042	-
Net cash flows from (used in) financing activities		75,872	(60,536)
Effect of change in exchange rates		20,210	(1,001)
Net increase in cash and cash equivalents		22,069	129,926
Cash and cash equivalents at beginning of year		318,830	188,904
Cash and cash equivalents at end of year		$ 340,899	$ 318,830

The accompanying notes are an integral part of these consolidated financial statements.

EIKEI GROUP (CAYMAN) CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE INDICATED)

1. History and Organisation

EIKEI Group (Cayman) Co., Ltd. (the "Company") was incorporated in the Cayman Islands on October 12, 2015. The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in trading printed circuit boards and electronic components. The Company is the Group's ultimate investment holding company. The Company's shares have been listed on the Taiwan Stock Exchange starting from December 3, 2024.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These consolidated financial statements were authorised for issuance by the Board of Directors on March 14, 2025.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 - comparative information'	January 1, 2023
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards-Volume 11	January 1, 2026

Except that the following is pending for assessments, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Material Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)		
Name of investor	Name of subsidiary	Main business activities	December 31, 2024	December 31, 2023	Description
The Company	Shenzhen EIKEI Electronic Co., Ltd.	Wholesale and retail of printed circuit boards, electronic materials and electronic parts and components	100.00	100.00	
The Company	EIKEI Electronics (Hong Kong) Co., Ltd.	Wholesale and retail of printed circuit boards, electronic materials and electronic parts and components	100.00	100.00	
The Company	EIKEI (THAILAND) COMPANY LIMITED	Wholesale and retail of printed circuit boards, electronic materials and electronic parts and components	99.80	99.60	Note
The Company	EIKEI (JAPAN) CO., LTD.	Wholesale and retail of electronic materials and electronic parts and components	100.00	100.00	

Note: Due to the local regulations in Thailand, for the equity interest of EIKEI (THAILAND) COMPANY LIMITED, there was one natural person shareholder of the company holding 1 share of the company and another corporate shareholder, EIKEI Electronics (Hong Kong) Co., Ltd., holding 1,000 shares of the company.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: Not applicable.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional currency is USD; however, the consolidated financial statements are presented in New Taiwan dollars under the regulations of the country where the consolidated financial statements are reported to the regulatory authorities.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(c) All resulting exchange differences are recognised in other comprehensive income.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets that are held primarily for the purpose of trading;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash, excluding restricted cash and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities that are held primarily for the purpose of trading;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(8) Impairment of financial assets

For financial assets at amortised cost including accounts receivable that have a significant financing component, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(9) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(10) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the applicable variable selling expenses.

(11) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	20 years
Transportation equipment	5 ~ 10 years
Office equipment	3 ~ 5 years
Leasehold improvements	5 ~ 20 years

(12) Leasing arrangements (lessee) − right-of-use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date; and

(c) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(13) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 1 to 10 years.

(14) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(15) Borrowings

Borrowings comprise short-term bank borrowings through discounting notes receivable to banks. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(16) Accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services.

B. The short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(17) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(18) Provisions

Provisions (warranty liabilities) are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(19) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognised immediately in profit or loss.

C. Employees’ compensation and directors’ remuneration

Employees’ compensation and directors’ remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(20) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(21) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(22) <u>Share capital</u>

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(23) <u>Dividends</u>

Cash dividends are recorded as liabilities in the Company’s financial statements in the period in which they are resolved by the Company’s Board of Directors. Stock dividends are recorded as stock dividends to be distributed in the Company’s financial statements in the period in which they are resolved by the Company’s shareholders and are reclassified to ordinary shares on the effective date of new shares issuance.

(24) <u>Revenue recognition</u>

A. Sales of goods

(a) The Group sells a range of products such as printed circuit boards and electronic components. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer’s acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(b) The goods are often sold with sales returns and price break which are calculated based on the proportion of the actual average sales revenue over two years. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated sales returns and price break. Accumulated experience is used to estimate and provide for the sales discounts and allowances, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A refund liability is recognised for expected sales returns and price break payable to customers in relation to sales made until the end of the reporting period. The sales usually are made with a credit term of 30~120 days. which is consistent with market practice. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

(c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(d) The Group’s obligation to provide a repair for faulty products under the quality warranty terms is recognised as a provision.

B. IT Consulting services

The Group provides business IT management, design, implementation and support services. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised after the actual service provided to the end of the reporting period and the delivered report. Revenue and accounts receivable are recognised each time in which the Group bills at the amount to which the Group has the right to invoice.

C. Revenue from electronic components purchased on behalf of others

Revenue from purchases on behalf of others is recognised when the goods are transferred. In accordance with IFRS 15 'Revenue from contracts with customers', the Group's transaction model is not held primarily responsible for the provision of goods or services and it is not assumed the inventory risk before transferring the specified goods or services to the customer or after transferring control of the goods or services to the customer, which meets the definition of an agent. For this type of goods, the net amount of transaction is recognised as revenue.

(25) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

Revenue recognition on a net/gross basis

The Group determines whether the nature of its performance obligation is to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for the other party to provide those goods or services (i.e. the Group is an agent) based on the transaction model and its economic substance. The Group is a principal if it controls a promised good or service before it transfers the good or service to a customer. The Group recognises revenue at gross amount of consideration to which it expects to be entitled in exchange for those goods or services transferred. The Group is an agent if its performance obligation is to arrange for the provision of goods or services by another party. The Group recognises revenue at the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the other party to provide its goods or services.

Indicators that the Group controls the good or service before it is provided to a customer include the following:

A. The Group is primarily responsible for the provision of goods or services.

B. The Group assumes the inventory risk before transferring the specified goods or services to the customer or after transferring control of the goods or services to the customer.

C. The Group has discretion in establishing prices for the goods or services.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation. As of December 31, 2024, the carrying amount of inventories was $90,448.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and revolving funds	$ 93	$ 136
Checking accounts and demand deposits	257,205	235,741
Time deposits	83,601	82,953
	$ 340,899	$ 318,830

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group has no cash and cash equivalents pledged to others.

(2) Accounts and notes receivable

	December 31, 2024	December 31, 2023
Notes receivable	$ 7,140	$ 19,228
Accounts receivable	$ 543,593	$ 239,698
Less: Allowance for uncollectible accounts	(1,934)	(1,275)
	$ 541,659	$ 238,423

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	December 31, 2024		December 31, 2023	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	$ 529,762	$ 7,140	$ 218,816	$ 19,228
Up to 30 days	2,932	-	9,042	-
31 to 90 days	9,926	-	11,276	-
91 to 180 days	943	-	527	-
Over 181 days	30	-	37	-
	$ 543,593	$ 7,140	$ 239,698	$ 19,228

The above ageing analysis was based on past due date.

B. As of December 31, 2024 and 2023, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2023, the balance of receivables from contracts with customers amounted to $247,127.

C. The Group does not hold any collateral.

D. Details of the Group's notes receivable discounted as collateral are provided in Note 8.

E. As of December 31, 2024 and 2023, the Group had outstanding discounted notes receivable amounting to $6,311 and $18,552, respectively. The Group has payment obligation when the drawers of the notes refuse to pay for the notes at maturity. However, in general, the Group does not expect that the drawers of the notes would refuse to pay for the notes at maturity. The liabilities arising on discounted notes receivable were presented as short-term borrowings.

F. As at December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable was $7,140 and $19,228; $541,659 and $238,423, respectively.

G. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(3) Inventories

	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Merchandise	$ 79,234	($ 2,433)	$ 76,801
Inventory in transit	13,647	-	13,647
	$ 92,881	($ 2,433)	$ 90,448

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Merchandise	$ 49,337	($ 2,707)	$ 46,630
Inventory in transit	36,745	-	36,745
	$ 86,082	($ 2,707)	$ 83,375

A. The cost of inventories recognised as expense for the years ended December 31, 2024 and 2023, was $1,357,603 and $1,106,182, respectively. The Group wrote down from cost to net realisable value accounted for as cost of goods sold for the years ended December 31, 2024 and 2023, amounting to ($374) and $285, respectively.

B. The Group reversed a previous inventory write-down and accounted for as reduction of cost of goods sold because obsolete and slow-moving inventories were partially sold during the year ended December 31, 2024.

(4) Property, plant and equipment

	2024				
	Buildings and structures	Transportation equipment	Office equipment	Leasehold improvements	Total
At January 1					
Cost	$ 54,547	$ 12,473	$ 7,155	$ 8,422	$ 82,597
Accumulated depreciation and impairment	(18,913)	(9,924)	(3,480)	(7,600)	(39,917)
	$ 35,634	$ 2,549	$ 3,675	$ 822	$ 42,680
Opening net book amount as at January 1	$ 35,634	$ 2,549	$ 3,675	$ 822	$ 42,680
Additions	-	594	667	-	1,261
Disposals	-	(233)	-	-	(233)
Depreciation charge	(2,765)	(817)	(1,201)	(65)	(4,848)
Net exchange differences	2,267	96	192	52	2,607
Closing net book amount as at December 31	$ 35,136	$ 2,189	$ 3,333	$ 809	$ 41,467
At December 31					
Cost	$ 58,242	$ 12,869	$ 8,144	$ 8,502	$ 87,757
Accumulated depreciation and impairment	(23,106)	(10,680)	(4,811)	(7,693)	(46,290)
	$ 35,136	$ 2,189	$ 3,333	$ 809	$ 41,467

	2023				
	Buildings and structures	Transportation equipment	Office equipment	Leasehold improvements	Total
At January 1					
Cost	$ 54,000	$ 12,403	$ 6,184	$ 8,349	$ 80,936
Accumulated depreciation and impairment	(16,022)	(9,532)	(2,592)	(7,534)	(35,680)
	$ 37,978	$ 2,871	$ 3,592	$ 815	$ 45,256
Opening net book amount as at January 1	$ 37,978	$ 2,871	$ 3,592	$ 815	$ 45,256
Additions	-	675	1,106	61	1,842
Disposals	-	(28)	-	-	(28)
Net exchange differences	(2,720)	(934)	(1,056)	(64)	(4,774)
Closing net book amount as at December 31	376	(35)	33	10	384
	$ 35,634	$ 2,549	$ 3,675	$ 822	$ 42,680
At December 31					
Cost	$ 54,547	$ 12,473	$ 7,155	$ 8,422	$ 82,597
Accumulated depreciation and impairment	(18,913)	(9,924)	(3,480)	(7,600)	(39,917)
	$ 35,634	$ 2,549	$ 3,675	$ 822	$ 42,680

The Group has no property, plant and equipment pledged as collateral.

(5) Lease transactions－lessee

A. The Group leases various assets including buildings and transportation equipment. Rental contracts are typically made for periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2024	December 31, 2023
	Carrying amount	Carrying amount
Buildings	$ 12,589	$ 19,349
Transportation equipment	881	1,097
	$ 13,470	$ 20,446

	Year ended December 31	
	2024	2023
	Depreciation charge	Depreciation charge
Buildings	$ 10,313	$ 9,723
Transportation equipment	1,138	1,293
	$ 11,451	$ 11,016

C. For the years ended December 31, 2024 and 2023, the additions to right-of-use assets were $4,211 and $15,372, respectively.

D. Information on profit or loss in relation to lease contracts is as follows:

	Year ended December 31	
	2024	2023
Items affecting profit or loss		
Interest expense on lease liabilities	$ 618	$ 423
Expense on short-term lease contracts	2,158	2,788

E. For the years ended December 31, 2024 and 2023, the Group's total cash outflow for leases were $14,124 and $14,187, respectively.

(6) Other payables

	December 31, 2024	December 31, 2023
Salaries and bonuses payable	$ 31,740	$ 13,756
Pension payable	6,551	5,975
Labour and health insurance payable	5,494	4,170
Service fees payable	2,744	1,801
Others	6,020	4,042
	$ 52,549	$ 29,744

(7) Pensions

A. Defined benefit plans

(a) The Group's Thailand company applies the local pension policy under 'Thai Labour Protection

Act', which is the defined benefit pension plan. The payment of employees' pension is calculated based on the length of service and the salary prior to the approved retirement date. When the employees retire, the company has an obligation to pay a certain separation pay in accordance with the labour regulations.

(b) The amounts recognised in the balance sheet are as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligations	($ 8,739)	($ 7,069)
Fair value of plan assets	-	-
Net defined benefit liability	($ 8,739)	($ 7,069)

(c) Movements in net defined benefit liabilities are as follows:

2024	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	($ 7,051)	$ -	($ 7,051)
Current service cost	(810)	-	(810)
Interest (expense) income	(133)	-	(133)
	(7,994)	-	(7,994)
Remeasurements:			
Change in financial assumptions	(199)	-	(199)
Experience adjustments	1	-	1
	(198)	-	(198)
Exchange difference	(547)	-	(547)
At December 31	($ 8,739)	$ -	($ 8,739)

2023	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	($ 5,149)	$ -	($ 5,149)
Current service cost	(516)	-	(516)
Interest (expense) income	(105)	-	(105)
	(5,770)	-	(5,770)
Remeasurements:			
Change in financial assumptions	(98)	-	(98)
Experience adjustments	(1,142)	-	(1,142)
	(1,240)	-	(1,240)
Exchange difference	(59)	-	(59)
At December 31	($ 7,069)	$ -	($ 7,069)

(d) The principal actuarial assumptions used were as follows:

	Year ended December 31	
	2024	2023
Discount rate	2.38%	2.74%
Future salary increases	5.00%	5.00%

When calculating the present value of defined pension obligations, the Group must apply judgements and estimates to determine the actuarial assumptions on balance sheet date, including discount rates and future salary changes. Any changes in these assumptions could significantly impact the carrying amount of defined pension obligations.

Assumptions regarding future mortality experience are set based on the mortality table released by the Office of Insurance Commission, Thailand.

(e) Sensitivity analysis:

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
December 31, 2024				
Effect on present value of defined benefit obligation	($ 530)	$ 608	$ 586	($ 523)
December 31, 2023				
Effect on present value of defined benefit obligation	($ 435)	$ 500	$ 484	($ 430)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2025 amount to $2,428.

(g) As of December 31, 2024, the weighted average duration of the retirement plan is 11 years.

B. Defined contribution plans

(a) The Branches of the Company’s foreign subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company’s domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) Pension act of overseas subsidiaries

i. The Company's Mainland China subsidiary, Shenzhen EIKEI Electronic Co., Ltd., has a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. The contribution percentage for the years ended December 31, 2024 and 2023, was both 14%~15%. Other than the monthly contributions, the Group has no further obligations.

ii. Other overseas subsidiaries has a defined contribution plan. Monthly contributions to an independent fund administered in accordance with the regulations in the local government are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the subsidiaries have no further obligations.

(c) The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2024 and 2023, were $3,798 and $1,603, respectively.

(8) Share-based payment (No such transaction in 2023)

A. For the year ended December 31, 2024, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Cash capital increase reserved for employee preemption	2024.11.8	55,000	NA	Vested immediately

B. Details of the share-based payment arrangements are as follows:

	2024		
	No. of options (share in thousands)	Weighted-average exercise price (in dollars)	
Options outstanding at January 1	-	$	-
Options granted	55		70
Options exercised	(55)		70
Options outstanding at December 31	-		
Options exercisable	-		

C. The weighted-average stock price of the Group's stock options at exercise dates as of December 31, 2024 was NT$70 (in dollars).

D. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars) (Note 1)	Expected price volatility (Note 2)	Expected option life (Note 3)	Expected dividends	Risk-free interest rate (Note 4)	Fair value per unit (in dollars)
Cash capital increase reserved for employee preemption	2024.11.8	$ 70.09	$ 70	41.04%	0.05 year	-	1.215%	$ 2.6295

Note 1: If there is any change to the Company's ordinary shares such as cash capital increase, stock dividend issuance, consolidation or issuance of new shares in exchange for shares of other companies, the exercise price will be adjusted in accordance with the terms of issuance of employee stock options.

Note 2: It is based on the stock price volatility during the historical expected duration of comparable companies.

Note 3: Expected option life is estimated based on the exercisable ratio of employee stock options, duration, historical data and current expectations.

Note 4: It is based on the fixed rate for a one-month to three-month time deposit offered by the Directorate General of the Postal Remittances and Savings Bank.

E. Expenses incurred on share-based payment transactions are shown below:

	Year ended December 31, 2024
Equity-settled	$ 145

(9) Share capital

As of December 31, 2024, the Company's authorised capital was $600,000, consisting of 60,000 thousand shares of ordinary share, and the paid-in capital was $208,500 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	2024	2023
At January 1	17,550	17,550
Cash capital increase	3,300	-
At December 31	20,850	17,550

The Board of Directors during its meeting on August 29, 2024 and December 22, 2023 adopted a resolution to increase the Company's capital by issuing 1,100 thousand and 2,200 thousand ordinary shares both with a par value of NT$10 (in dollars) per share, respectively. The actual issuance price was NT$70 (in dollars) and NT$50 (in dollars) per share, respectively, and the proceeds from the cash capital increase amounted to $69,042 (net of issuance cost of $7,958) and $110,000, respectively. The effective date was set on November 29, 2024 and February 8, 2024, respectively.

(10) Capital surplus (No such transaction in 2023)

Under the Company's Articles of Incorporation:

A. In accordance with the instructions of shareholders at the shareholders' meeting, the Board of

Directors may use capital surplus on behalf of the Company to offset accumulated losses and distribute earnings in accordance with the Companies Act of the Cayman Islands.

B. In accordance with the applicable laws and the Company's Articles of Incorporation, the Board of Directors may use the balance of capital surplus, other reserve accounts or profit and loss accounts, or other distributable payments to fully pay for proceeds from shares unissued. The stock bonuses are distributed to the shareholders in proportion to their share ownership to be transferred to capital.

C. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2024		
	Share premium	Employee stock options	Total
At January 1	$ -	$ -	$ -
Cash capital increase	146,187	(145)	146,042
Share-based payments	-	145	145
At December 31	$ 146,187	$ -	$ 146,187

(11) Retained earnings

A. Under the Company's Articles of Incorporation, subject to the Companies Act of the Cayman Islands, public companies' regulations or the Company's Articles of Incorporation, and except as otherwise provided by the rights attaching to any shares, where the Company still has annual net profit for the fiscal year, after paying all relevant taxes, offsetting losses, setting aside the legal reserve (unless the legal reserve equals the Company's paid-in capital), and then setting aside the special reserve in accordance with the laws, the remaining amount, if it is distributed as cash dividends, shall be resolved by the Board of Directors during their special meeting and reported to the shareholders at their most recent annual meeting. If new shares are issued as bonus shares, it shall be resolved by the Board of Directors during their ordinary meeting and submitted to the shareholders at their meeting for a special resolution. During the period when the shares are traded as emerging stocks on the Taipei Exchange or listed on the Taiwan Stock Exchange, without violating the Companies Act of the Cayman Islands, the appropriation of shareholders' bonuses shall not be less than 10% of the distributable amount from the earnings of the previous fiscal year, and cash dividends shall not be less than 10% of the total dividends.

B. The Company's dividend policy is summarised below: As the Company is in the growth stage, the dividends of the Company may be distributed in the form of cash dividends and stock dividends. The Company shall take into consideration its fiscal year's earnings, overall development, financial plans, capital requirements, industry outlook and its future prospects in assessing the amount of dividends the Company may distribute to the shareholders, ensuring that the shareholders' rights and interests are maintained.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

E. The appropriation of 2023 earnings as approved by the shareholders at their meeting on May 23, 2024 and the appropriation of 2022 earnings as resolved by the shareholders at their special meeting on August 14, 2023 are as follows:

	2023		2022	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 10,944		$ 7,362	
Reversal of special reserve	(70)		(13,958)	
Cash dividends	79,000	$ 4.00	52,650	$ 3.00

F. The appropriation of 2024 earnings as proposed by the Board of Directors on March 14, 2025 is as follows:

	2024	
	Amount	Dividends per share (in dollars)
Legal reserve	$ 14,233	
Reversal of special reserve	(4,980)	
Cash dividends	114,675	$ 5.50

(12) Other equity items

	2024	2023
Currency translation differences:		
At January 1	($ 4,980)	($ 5,050)
Changes for the year	19,933	70
At December 31	$ 14,953	($ 4,980)

(13) Operating revenue

	Year ended December 31	
	2024	2023
Sales revenue	$ 1,678,631	$ 1,406,952
Other operating revenue	84,193	19,326
	$ 1,762,824	$ 1,426,278

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services at a point in time in the following major products and geographical regions:

2024	Thailand		Mainland China (included Hong Kong)		Others		
	Printed circuit board	Others	Printed circuit board	Others	Printed circuit board	Others	Total
Revenue from external customer contracts	$ 679,720	$ 54,445	$ 278,450	$ -	$ 611,247	$ 138,962	$ 1,762,824
Timing of revenue recognition							
At a point in time	$ 679,720	$ 54,445	$ 278,450	$ -	$ 611,247	$ 138,962	$ 1,762,824

2023	Thailand		Mainland China (included Hong Kong)		Others		
	Printed circuit board	Others	Printed circuit board	Others	Printed circuit board	Others	Total
Revenue from external customer contracts	$ 621,889	$ 4,773	$ 216,264	$ -	$ 459,908	$ 123,444	$ 1,426,278
Timing of revenue recognition							
At a point in time	$ 621,889	$ 4,773	$ 216,264	$ -	$ 459,908	$ 123,444	$ 1,426,278

B. Contract liabilities and refund liabilities

The Group has recognised the following revenue-related contract liabilities and refund liabilities in relation to expected sales discounts and allowances:

	December 31, 2024	December 31, 2023	January 1, 2023
Refund liabilities:			
Sales discounts and allowances	$ 4,333	$ 6,044	$ 1,546
Contract liabilities:			
Contract liabilities - advance sales receipts	$ 1,412	$ 735	$ 2,343

	Year ended December 31	
	2024	2023
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Contract liabilities - advance sales receipts	$ 735	$ 2,343

(14) Interest income

	Year ended December 31	
	2024	2023
Interest income from bank deposits	$ 7,355	$ 6,071

(15) Other gains and losses

	Year ended December 31	
	2024	2023
Foreign exchange gains	$ 14,562	$ 11,019
(Losses) gains on disposal of property, plant and equipment	(6)	149
Net gains on financial liabilities at fair value through profit or loss	-	198
Others	(47)	(1,678)
	$ 14,509	$ 9,688

(16) Finance costs

	Year ended December 31	
	2024	2023
Interest income from bank borrowings	$ 256	$ 870
Interest income from lease liabilities	618	423
	$ 874	$ 1,293

(17) Expenses by nature

	Year ended December 31	
	2024	2023
Employee benefit expense	$ 153,437	$ 116,178
Depreciation charge	16,299	15,790
Amortisation charge	3,140	2,980
	$ 172,876	$ 134,948

(18) Employee benefit expense

	Year ended December 31	
	2024	2023
Wages and salaries	$ 141,412	$ 106,442
Labour and health insurance fees	4,566	4,541
Pension costs	4,741	3,604
Other personnel expenses	2,718	1,591
	$ 153,437	$ 116,178

A. In accordance with the Company’s Articles of Incorporation, during the period when the Company’s shares are traded as emerging stocks on the Taipei Exchange or listed on the Taiwan Stock Exchange, except as otherwise provided by the laws or the Company’s Articles of

Incorporation, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall not be lower than 5% for employees' compensation and shall not be higher than 3% for directors' and supervisors' remuneration.

B. The distribution of employees' compensation and directors' remuneration shall be resolved by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders at their meeting.

C. For the year ended December 31, 2024, employees' compensation was accrued at $9,581; while no directors' remuneration was accrued. The aforementioned amounts were recognised in salary expenses.

The employees' compensation was estimated and accrued based on 6% of distributable profit of current year as of the end of reporting period. As the Company was not a listed emerging or listed company, no employees' compensation and directors' remuneration were accrued for the year ended December 31, 2023.

(19) Income tax

A. Income tax expense

Components of income tax expense:

	Year ended December 31	
	2024	2023
Current tax:		
Current tax on profits for the year	$ 43,815	$ 35,125
Prior year income tax under (over) estimation	42	(215)
Total current tax	43,857	34,910
Deferred tax:		
Origination and reversal of temporary differences	797	(2,049)
Income tax expense	$ 44,654	$ 32,861

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31	
	2024	2023
Tax calculated based on profit before tax and statutory tax rate	$ 43,025	$ 31,629
Effect from overseas earnings	1,587	1,447
Prior year income tax under (over) estimation	42	(215)
Income tax expense	$ 44,654	$ 32,861

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2024		
	January 1	Recognised in profit or loss	December 31
Deferred tax assets			
Allowance for bad debts	$ 45	$ 16	$ 61
Inventory valuation loss	369	(346)	23
Unused compensated absence	61	-	61
Pensions	1,277	86	1,363
Unrealised exchange loss	199	1,348	1,547
	$ 1,951	$ 1,104	$ 3,055
Deferred tax liabilities			
Capital gains tax	(4,149)	(1,901)	(6,050)
	($ 2,198)	($ 797)	($ 2,995)

	2023		
	January 1	Recognised in profit or loss	December 31
Deferred tax assets			
Allowance for bad debts	$ 336	($ 291)	$ 45
Inventory valuation loss	38	331	369
Unused compensated absence	-	61	61
Pensions	1,264	13	1,277
Unrealised exchange loss	-	199	199
	$ 1,638	$ 313	$ 1,951
Deferred tax liabilities			
Unrealised exchange gain	(3,162)	3,162	-
Capital gains tax	(2,723)	(1,426)	(4,149)
	(5,885)	1,736	(4,149)
	($ 4,247)	$ 2,049	($ 2,198)

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2024				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2021	$ 2,175	$ 2,175	$ 2,175	2026
2022	9,927	9,927	9,927	2027
2023	7,047	7,047	7,047	2028
2024	10,233	10,233	10,233	2029
	$ 29,382	$ 29,382	$ 29,382	

December 31, 2023				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2021	$ 2,175	$ 2,175	$ 2,175	2026
2022	9,927	9,927	9,927	2027
2023	7,047	7,047	7,047	2028
	$ 19,149	$ 19,149	$ 19,149	

E. The Company was incorporated in the Cayman Islands, and the Company is entitled to the income tax exemption in accordance with the local regulations.

F. EIKEI Electronics (Hong Kong) Co., Ltd. was incorporated in the Hong Kong Special Administrative Region of the People's Republic of China, and only revenue from Hong Kong sources shall be taxed based on the 'Hong Kong Inland Revenue Ordinance'. However, the abovementioned subsidiary had no taxable income generated for the years ended December 31, 2024 and 2023.

G. The Taiwan branch of EIKEI Electronics (Hong Kong) Co., Ltd.'s income tax returns through 2022 have been assessed and approved by the Tax Authority.

H. Shenzhen EIKEI Electronic Co., Ltd. was incorporated in Mainland China, and the applicable income tax rates were all 25% starting from 2013.

(20) Earnings per share

	Year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 142,527	19,522	$ 7.30
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 142,527	19,522	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	112	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 142,527	19,634	$ 7.26

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 110,678	17,550	$ 6.31
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 110,678	17,550	$ 6.31

(21) Changes in liabilities from financing activities

	2024			
	Short-term borrowings	Lease liability	Dividend payable	Liabilities from financing activities-gross
At January 1	$ 18,552	$ 20,788	$ -	$ 39,340
Changes in cash flow from financing activities	(12,822)	(11,348)	(79,000)	(103,170)
Impact of changes in foreign exchange rate	581	190	-	771
Changes in other non-cash items	-	4,211	79,000	83,211
At December 31	$ 6,311	$ 13,841	$ -	$ 20,152

	2023			
	Short-term borrowings	Lease liability	Dividend payable	Liabilities from financing activities-gross
At January 1	$ 15,800	$ 16,707	$ -	$ 32,507
Changes in cash flow from financing activities	3,090	(10,976)	(52,650)	(60,536)
Impact of changes in foreign exchange rate	(338)	(315)	-	(653)
Changes in other non-cash items	-	15,372	52,650	68,022
At December 31	$ 18,552	$ 20,788	$ -	$ 39,340

7. Related Party Transactions

(1) Significant related party transactions

The related parties are included in the consolidated financial statements, and the related transactions are all eliminated.

(2) Key management compensation

	Year ended December 31	
	2024	2023
Wages and salaries and other short-term benefits	$ 55,351	$ 41,557

8. Pledged Assets

The Group's assets pledged as collateral are as follows:

Pledged asset	Book value December 31, 2024	Book value December 31, 2023	Purpose
Notes receivable	$ 6,311	$ 18,552	Short-term borrowings

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

On October 8, 2024, the Company's Hong Kong subsidiary, EIKEI Electronics (Hong Kong) Co., Ltd., received a letter from the Inland Revenue Department of the Government of the Hong Kong Special Administrative Region of the People's Republic of China, requesting the Hong Kong subsidiary to provide relevant data and explain the actual operating conditions from 2018 to 2023 since it claimed that the free on board profit was exempted from paying Hong Kong profits tax. Currently, the Company has obtained opinions assessed by the appointed tax accountant, which shows that the possibility of being exempted from paying Hong Kong profits tax is high. However, the possible results cannot be accurately confirmed since the case is yet to be determined by the Inland Revenue Department of The Government of the Hong Kong Special Administrative Region of the People's Republic of China.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

Please refer to Note 6(11) for the appropriation of 2024 earnings.

12. Others

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders and issue new shares to reduce debt. The Group monitors capital on the basis of the net debt-to-equity ratio. This ratio is calculated based on net debt, which is the total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) divided by total net value.

The gearing ratios at December 31, 2024 and 2023 were as follows:

	December 31, 2024	December 31, 2023
Total borrowings	$ 6,311	$ 18,552
Total net assets	586,874	324,425
Gearing ratio	1%	6%

(2) Financial instruments

A. Financial instruments by category

	December 31, 2024	December 31, 2023
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents	$ 340,899	$ 318,830
Notes receivable	7,140	19,228
Accounts receivable	541,659	238,423
Other receivables	13,941	8,370
Guarantee deposits paid	4,857	4,395
	$ 908,496	$ 589,246
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ 6,311	$ 18,552
Accounts payable	374,860	308,309
Other payables	52,549	29,744
	$ 433,720	$ 356,605
Lease liability	$ 13,841	$ 20,788

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and THB. Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities.

ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable USD expenditures. Forward foreign exchange contracts are adopted to minimise the volatility of the exchange rate affecting cost of forecast inventory purchases.

iii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: USD; other certain subsidiaries (branches)' functional currency: NTD, RMB, THB and JPY). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2024					
				Sensitivity analysis		
	Foreign currency amount (In thousands)	Exchange rate	Book value	Degree of variation	Effect on profit or loss before tax	Effect on other comprehensive income before tax
Financial assets						
Monetary items						
USD:NTD	$ 387	32.79	$ 12,699	1%	$ 127	$ -
THB:NTD	228,596	0.96	219,978	1%	2,199	-
USD:THB	1,053	34.07	34,535	1%	345	-
HKD:USD	3,002	0.94	12,676	1%	127	-
Financial liabilities						
Monetary items						
USD:NTD	$ 3,528	32.79	$ 115,669	1%	$ 1,157	$ -

	December 31, 2023					
				Sensitivity analysis		
	Foreign currency amount (In thousands)	Exchange rate	Book value	Degree of variation	Effect on profit or loss before tax	Effect on other comprehensive income before tax
Financial assets						
Monetary items						
USD:NTD	$ 427	30.71	$ 13,126	1%	$ 131	$ -
THB:NTD	219,173	0.90	197,624	1%	1,976	-
USD:THB	941	34.05	28,893	1%	289	-
Financial liabilities						
Monetary items						
USD:NTD	$ 5,071	30.71	$ 155,736	1%	$ 1,557	$ -

v. The total exchange gain (loss), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2024 and 2023, amounted to $14,562 and $11,019, respectively.

Interest rate risk and price risk

Not applicable.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the notes receivable and accounts receivable based on the agreed terms, and the contract cash flows of financial assets stated at amortised cost.

ii. The Group manages their credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

iv. The Group adopts following assumptions under IFRS 9, if the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

v. The Group classifies customer's accounts receivable in accordance with default situation. The Group applies the modified approach using loss rate methodology to estimate expected credit impairment loss.

vi. The following indicators are used to determine whether the credit impairment of financial assets has occurred:

  (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;

  (ii) The disappearance of an active market for that financial asset because of financial difficulties;

  (iii) Adverse changes in national or regional economic conditions that are expected to cause a default.

vii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On December 31, 2024 and 2023, the Group had no written-off financial assets that are still under recourse procedures.

viii. The Group used the forecastability of Manufacturing PMI to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2024 and 2023, the loss rate methodology is as follows:

	Not past due	Up to 30 days past due	31~90 days past due
December 31, 2024			
Expected loss rate	0.11%~0.57%	0.11%~0.57%	0.11%~0.57%
Total book value	$ 529,762	$ 2,932	$ 9,926
Loss allowance	$ 1,891	$ 7	$ 33

	91~180 days past due	Over 180 days past due	Total
Expected loss rate	0.11%~0.57%	0.11%~0.57%	
Total book value	$ 943	$ 30	$ 543,593
Loss allowance	$ 3	$ -	$ 1,934

	Not past due	Up to 30 days past due	31~90 days past due
December 31, 2023			
Expected loss rate	0.29%~0.87%	0.29%~0.87%	0.29%~0.87%
Total book value	$ 218,816	$ 9,042	$ 11,276
Loss allowance	$ 1,214	$ 30	$ 30

	91~180 days past due	Over 180 days past due	Total
Expected loss rate	0.29%~0.87%	0.29%~0.87%	
Total book value	$ 527	$ 37	$ 239,698
Loss allowance	$ 1	$ -	$ 1,275

ix. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable are as follows:

	2024	2023
At January 1	$ 1,275	$ 283
Provision for impairment	578	996
Effect of exchange rate changes	81	(4)
At December 31	$ 1,934	$ 1,275

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

ii. The table below analyses the Group's non-derivative financial liabilities and gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2024	Less than 1 year	Between 1 and 2 years	Over 2 years
Non-derivative financial liabilities:			
Short-term borrowings	$ 6,311	$ -	$ -
Accounts payable	374,860	-	-
Other payables	52,549	-	-
Lease liability	10,371	3,345	352

December 31, 2023	Less than 1 year	Between 1 and 2 years	Over 2 years
Non-derivative financial liabilities:			
Short-term borrowings	$ 18,552	$ -	$ -
Accounts payable	308,309	-	-
Other payables	29,744	-	-
Lease liability	11,011	9,456	1,121

(3) Fair value information

A. The Group had no financial and non-financial instruments measured at fair value as of December 31, 2024 and 2023.

B. The carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, notes receivable, accounts receivable, other receivables, guarantee deposits paid, short-term borrowings, accounts payable, other payables and other current liabilities) are approximate to their fair values.

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: Please refer to table 1.

C. Holding of marketable securities at the end of the period: None.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 2.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 3.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 4.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 5.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 6.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major shareholders information

Major shareholders information: Please refer to table 7.

14. Segment Information

(1) General information

The Group is mainly engaged in the sales of printed circuit board and electronic components. There is no division of significant business segments. As a result, the Group's chief operating decision-maker considers that the Group has only one operating segment. The operating segment information is consistent with that in the consolidated financial statements. Please refer to the consolidated balance sheet and the consolidated statement of comprehensive income for details.

(2) Measurement of segment information

The pre-tax net income is used to measure the Group's operating segment profit (loss) and performance of the operating segments.

(3) Information about segment profit or loss, assets and liabilities

The Group's segment information such as segment profit (loss), assets and liabilities are consistent with the main financial report information.

(4) Reconciliation for segment income (loss)

Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

(5) Information on products and services

Please refer to Note 6(12) for the related information.

(6) Geographical information

Geographical information for the years ended December 31, 2024 and 2023 is as follows:

	Year ended December 31							
	2024				2023			
	Revenue		Non-current assets		Revenue		Non-current assets	
Thailand	$	734,165	$	41,011	$	626,662	$	45,303
Mainland China (including Hong Kong)		278,450		8,525		216,264		17,912
Others		750,209		6,741		583,352		1,229
	$	1,762,824	$	56,277	$	1,426,278	$	64,444

Note: Revenue is classified based on geographic location of customers and non-current assets are classified based on respective entity.

(7) Major customer information

Major customer information of the Group for the years ended December 31, 2024 and 2023 is as follows:

	Year ended December 31					
	2024			2023		
	Revenue		Segment	Revenue		Segment
A	$	339,380	(Note)	$	439,542	(Note)

Note: The Company and the subsidiaries had been identified as one reportable operating segment.

EIKEI Group (Cayman) Co., Ltd. and subsidiaries

Provision of endorsements and guarantees to others

Year ended December 31, 2024

Table 1

Expressed In thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Endorser/guarantor	Party being endorsed/ guaranteed: Company name	Party being endorsed/ guaranteed: Relationship with the Endorser/guarantor (Note 2)	Limit on endorsements/guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2024	Outstanding endorsement/ guarantee amount at December 31, 2024	Actual amount drawn down	Amount of endorsements/guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the Endorser/guarantor company	Ceiling on total amount of endorsements/guarantees provided (Note 4)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	EIKEI Group (Cayman) Co., Ltd.	EIKEI Electronics (Hong Kong) Co., Ltd.	2	$ 939,000	$ 163,925	$ 163,925	$ -	$ -	27.93%	$ 1,173,750	Y	N	N	

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories:

(1) Having business relationship.

(2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.

(4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.

Note 4: Transaction amount more than $5,000 would be disclosed.

(6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: The Company’s limit on endoresements/ guarantees provided to single party is 160% of net assets shown in the Company’s latest reports which were audited or reviewed by independent auditors.

Note 4: The Company’s limit on total endorsements/guarantees is 200% of net assets shown in the Company’s latest reports which were audited or reviewed by independent auditors.

EIKEI Group (Cayman) Co., Ltd. and subsidiaries

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

Year ended December 31, 2024

Table 2

Expressed In thousands of NTD

(Except as otherwise indicated)

			Transaction				Compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
EIKEI Electronics (Hong Kong) Co., Ltd.	EIKEI (THAILAND) COMPANY LIMITED	Fellow subsidiary	(Sales)	($ 612,537)	-53%	60 days after monthly billings	Normal	Normal	$ 109,390	28%	

EIKEI Group (Cayman) Co., Ltd. and subsidiaries

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

December 31, 2024

Table 3

Expressed In thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2024	Turnover rate	Overdue receivables: Amount	Overdue receivables: Action taken	Amount collected subsequent to the balance sheet date	Allowance for loss
EIKEI Electronics (Hong Kong) Co., Ltd.	EIKEI (THAILAND) COMPANY LIMITED	Fellow subsidiary	$ 109,390	5.02	$ -	Not applicable	$ 68,803	$ -

EIKEI Group (Cayman) Co., Ltd. and subsidiaries

Significant inter-company transactions during the reporting periods

Year ended December 31, 2024

Table 4

Expressed In thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets
1	EIKEI Electronics (Hong Kong) Co., Ltd.	EIKEI (THAILAND) COMPANY LIMITED	3	Accounts receivable	$ 109,390	The same as the transaction terms to third party transactions	15%
1	EIKEI Electronics (Hong Kong) Co., Ltd.	EIKEI (THAILAND) COMPANY LIMITED	3	Sales revenue	612,537	The same as the transaction terms to third party transactions	57%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Transaction amount more than $5,000 would be disclosed.

EIKEI Group (Cayman) Co., Ltd. and subsidiaries

Information on investees

Year ended December 31, 2024

Table 5

Expressed In thousands of NTD

(Except as otherwise indicated)

				Initial investment amount		Shares held as at December 31, 2024					
Investor	Investee	Location	Main business activities	Balance as at December 31, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2024	Investment income(loss) recognised by the Company for the year ended December 31, 2024	Footnote
EIKEI Group (Cayman) Co., Ltd.	EIKEI Electronics (Hong Kong) Co., Ltd.	Hong Kong	Wholesale and retail of printed circuit board, electronic materials and electronic components	$ 21,007	$ 21,007	5,000,000	100.00	$ 331,360	$ 164,325	$ 163,380	
EIKEI Group (Cayman) Co., Ltd.	EIKEI (THAILAND) COMPANY LIMITED	Thailand	Wholesale and retail of printed circuit board, electronic materials and electronic components	48,979	25,826	498,999	99.80	134,207	12,431	12,431	
EIKEI Group (Cayman) Co., Ltd.	EIKEI (JAPAN) CO., LTD.	Japan	Wholesale and retail of electronic materials and electronic components	25,411	14,312	2,000	100.00	35,472	1,871	1,871	
EIKEI Electronics (Hong Kong) Co., Ltd.	EIKEI (THAILAND) COMPANY LIMITED	Thailand	Wholesale and retail of printed circuit board, electronic materials and electronic components	270	270	1,000	0.20	270	12,431	-	

EIKEI Group (Cayman) Co., Ltd. and subsidiaries

Information on investments in Mainland China

Year ended December 31, 2024

Table 6

Expressed In thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2024: Remitted to Mainland China	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2024: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Net income of investee as of December 31, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2024	Book value of investments in Mainland China as of December 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024	Footnote
Shenzhen EIKEI Electronic Co., Ltd.	Wholesale and retail of printed circuit board, electronic materials and electronic components	$ 57,186	Note 1	$ -	$ -	$ -	$ -	($ 6,445)	100.00	($ 6,445)	$ 31,273	$ -	Note 2

Note 1: Through investing in an existing company in the third area, which then invested in the investee in Mainland China. Shenzhen EIKEI Electronic Co., Ltd. invested through EIKEI Group (Cayman) Co., Ltd.

Note 2: Investment income (loss) recognised for the year ended December 31, 2024 was valuated and disclosed through financial statements audited by independent accountants of parent company.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024 (Note)	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
-	$ -	$ -	$ -

Note: Since the Company is a Cayman company, the investments in Mainland China do not need to be approved by the Investment Commission of the Ministry of Economic Affairs.

EIKEI Group (Cayman) Co., Ltd. and subsidiaries

Major shareholders information

December 31, 2024

Table 7

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
EIKEI HOLDING CO., LTD	7,020,000	33.66%
GREEN MOUNTAIN CO., LTD	7,020,000	33.66%