

**JHEN VEI ELECTRONIC CO., LTD AND  
SUBSIDIARIES**

**Consolidated Financial Statements**

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

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

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## **Representation Letter**

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

Company name: JHEN VEI ELECTRONIC CO., LTD

Chairman: Niang Chuan, Wei

Date: March 13, 2025



安侯建業聯合會計師事務所  
KPMG

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## Independent Auditors' Report

To the Board of Directors of JHEN VEI ELECTRONIC CO., LTD:

### Opinion

We have audited the consolidated financial statements of JHEN VEI ELECTRONIC CO., LTD and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by 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 Accountants of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Key Audit Matters

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

#### 1. Revenue recognition

Please refer to note 4 (k) for the relevant accounting policy regarding recognition of revenue, and refer to note 6 (o) for relevant disclosures.

Description of key audit matter:

JHEN VEI ELECTRONIC CO., LTD. and its subsidiaries are principally engaged in the trading of electronic components and the after processing of electronic components. Sales revenue is one of the key items in the financial statements. therefore, the recognition of sales revenue is one of the most important evaluation in performing our audit procedures.

How the matter was addressed in our audit:

Our principal audit procedures are the following:

- Testing revenue recognition, as well as designing and implementing internal controls related to revenue recognition.
- Spot checking sales revenue for the entire fiscal year and verifying supporting documents, such as external sales orders, delivery notes, and invoices to assess the proper recognition of revenue.
- Choosing the period between the balance sheet date, and examining the recognition of income transactions and vouchers cover for the appropriate period.

### **Other Matter**

JHEN VEI ELECTRONIC CO., LTD has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinion.

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

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

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

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

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Lin, Heng Shen and Yang, Shu Chih.

KPMG

Taipei, Taiwan (Republic of China)  
March 13, 2025

#### **Notes to Readers**

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

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

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)  
**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**December 31, 2024 and 2023**

(Expressed in Thousands of New Taiwan Dollars)

		<b>December 31, 2024</b>		<b>December 31, 2023</b>				<b>December 31, 2024</b>		<b>December 31, 2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>			<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Assets</b>						<b>Liabilities and Equity</b>					
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents(note (6)(a))	\$ 215,711	14	319,187	22	2100	Short-term borrowings(notes (h)and (8))	\$ 101,205	7	48,352	3
1170	Accounts receivable, net(notes (b), (o)and (8))	486,930	31	318,951	22	2130	Current contract liabilities(note (6)(o))	6,469	-	63,661	5
1200	Other receivables(note (6)(c))	5,482	-	8,836	1	2170	Accounts payable	184,196	13	108,230	8
130X	Inventories(notes (6)(d)and (9))	179,009	12	142,569	10	2200	Other payables	37,488	2	45,953	3
1470	Prepayments and other current assets(note (8))	<u>30,386</u>	<u>2</u>	<u>25,750</u>	<u>2</u>	2280	Current lease liabilities(note (6)(j))	11,924	1	8,720	1
		<u>917,518</u>	<u>59</u>	<u>815,293</u>	<u>57</u>	2322	Long-term borrowings, current portion(notes (i)and (8))	33,839	2	21,434	1
	Non-current assets:					2399	Other current liabilities	<u>4,268</u>	<u>-</u>	<u>4,979</u>	<u>-</u>
1600	Property, plant and equipment(notes (e)and (8))	472,559	31	471,225	33			<u>379,389</u>	<u>25</u>	<u>301,329</u>	<u>21</u>
1755	Right-of-use assets(note (6)(f))	65,021	4	39,947	3		<b>Non-Current liabilities:</b>				
1780	Intangible assets(note (g))	49,209	3	59,396	4	2540	Long-term borrowings(notes (i)and (8))	234,838	15	243,093	17
1840	Deferred tax assets(note (6)(l))	21,405	1	21,702	1	2570	Deferred tax liabilities(note (6)(l))	4,255	-	2,514	-
1915	Prepayments for equipments	8,349	1	3,069	-	2580	Non-current lease liabilities(note (6)(j))	52,490	3	30,255	2
1920	Refundable deposits	4,895	-	8,024	1	2550	Non-current provisions	4,336	-	4,540	-
1975	Net defined benefit asset, non-current(note (6)(k))	<u>13,255</u>	<u>1</u>	<u>12,103</u>	<u>1</u>	2630	Long-term deferred revenue(note (6)(e))	<u>56,427</u>	<u>4</u>	<u>57,220</u>	<u>4</u>
		<u>634,693</u>	<u>41</u>	<u>615,466</u>	<u>43</u>			<u>352,346</u>	<u>22</u>	<u>337,622</u>	<u>23</u>
							<b>Total liabilities</b>	<u>731,735</u>	<u>47</u>	<u>638,951</u>	<u>44</u>
							<b>Equity attributable to owners of parent:(note 6(m))</b>				
						3110	Ordinary share	688,468	44	688,468	48
						3200	Capital surplus	61,539	4	61,539	4
						3310	Legal reserve	7,821	1	7,451	1
						3320	Special reserve	15,756	1	-	-
						3350	Unappropriated retained earnings	48,305	3	50,106	4
						3410	Exchange differences on translation of foreign financial statements	<u>(4,277)</u>	<u>-</u>	<u>(15,756)</u>	<u>(1)</u>
							<b>Total equity attributable to owners of parent:</b>	<u>817,612</u>	<u>53</u>	<u>791,808</u>	<u>56</u>
						36XX	Non-controlling interests	<u>2,864</u>	<u>-</u>	<u>-</u>	<u>-</u>
							<b>Total equity</b>	<u>820,476</u>	<u>53</u>	<u>791,808</u>	<u>56</u>
<b>Total assets</b>		<u><u>\$ 1,552,211</u></u>	<u><u>100</u></u>	<u><u>1,430,759</u></u>	<u><u>100</u></u>		<b>Total liabilities and equity</b>	<u><u>\$ 1,552,211</u></u>	<u><u>100</u></u>	<u><u>1,430,759</u></u>	<u><u>100</u></u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES

**Consolidated Statements of Comprehensive Income**

**For the years ended December 31, 2024 and 2023**

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

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue (note (6)(o))</b>	\$ 1,097,794	100	836,326	100
5000	<b>Operating costs (notes (6)(d) and (k))</b>	(938,347)	(85)	(707,690)	(85)
	<b>Gross profit (loss) from operations</b>	159,447	15	128,636	15
	<b>Operating expenses (notes (6)(b), (k) and (p)):</b>				
6100	Selling expenses	55,962	5	64,562	8
6200	Administrative expenses	76,512	7	70,531	8
6300	Research and development expenses	9,410	1	-	-
6450	Expected credit loss	(205)	-	(67)	-
	<b>Total operating expenses</b>	141,679	13	135,026	16
	<b>Net operating income (loss)</b>	17,768	2	(6,390)	(1)
	<b>Non-operating income and expenses (notes (6)(g) and (q)):</b>				
7100	Total interest income	2,568	-	4,728	1
7230	Foreign exchange gains	16,613	2	914	-
7050	Finance costs	(9,620)	(1)	(8,201)	(1)
7190	Other gain and losses	4,004	-	11,802	1
	<b>Total non-operating income and expenses</b>	13,565	1	9,243	1
7900	<b>Profit from continuing operations before tax</b>	31,333	3	2,853	-
7950	Less: Income tax expenses(note (6)(l))	11,700	1	(966)	-
	<b>Profit</b>	19,633	2	3,819	-
8300	<b>Other comprehensive income:</b>				
8310	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
8311	Gains (losses) on remeasurements of defined benefit plans	1,082	-	(119)	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	11,731	1	(3,350)	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
8300	<b>Other comprehensive income</b>	12,813	1	(3,469)	-
	<b>Total comprehensive income</b>	\$ 32,446	3	350	-
	<b>Profit (loss), attributable to:</b>				
	Profit attributable to owners of parent	\$ 20,128	2	3,819	
	Loss attributable to non-controlling interests	(495)	-	-	-
		\$ 19,633	2	3,819	
	<b>Comprehensive income (loss) attributable to:</b>				
	Comprehensive income, attributable to owners of parent	\$ 32,689	3	350	-
	Comprehensive loss attributable to non-controlling interests	(243)	-	-	-
		\$ 32,446	3	350	-
9750	<b>Basic earnings per share(note 6(n))</b>	\$ 0.29		0.06	
9850	<b>Diluted earnings per share(note 6(n))</b>	\$ 0.29		0.06	

See accompanying notes to consolidated financial statements.



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

**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES****Consolidated Statements of Changes in Equity****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent					Total other equity interest			
	Retained earnings					Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings				
<b>Balance at January 1, 2023</b>	\$ 688,468	61,506	-	-	74,511	(12,406)	812,079	-	812,079
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	7,451	-	(7,451)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(20,654)	-	(20,654)	-	(20,654)
Profit	-	-	-	-	3,819	-	3,819	-	3,819
Other comprehensive income	-	-	-	-	(119)	(3,350)	(3,469)	-	(3,469)
Total comprehensive income	-	-	-	-	3,700	(3,350)	350	-	350
Benefits gained from exercising disgorgement	-	33	-	-	-	-	33	-	33
Balance at December 31, 2023	688,468	61,539	7,451	-	50,106	(15,756)	791,808	-	791,808
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	370	-	(370)	-	-	-	-
Special reserve appropriated	-	-	-	15,756	(15,756)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(6,885)	-	(6,885)	-	(6,885)
Profit	-	-	-	-	20,128	-	20,128	(495)	19,633
Other comprehensive income	-	-	-	-	1,082	11,479	12,561	252	12,813
Total comprehensive income	-	-	-	-	21,210	11,479	32,689	(243)	32,446
Changes in non-controlling interests	-	-	-	-	-	-	-	3,107	3,107
<b>Balance at December 31, 2024</b>	<b>\$ 688,468</b>	<b>61,539</b>	<b>7,821</b>	<b>15,756</b>	<b>48,305</b>	<b>(4,277)</b>	<b>817,612</b>	<b>2,864</b>	<b>820,476</b>

See accompanying notes to consolidated financial statements.

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

**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES****Consolidated Statements of Cash Flows****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	<b>2024</b>	<b>2023</b>
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 31,333	2,853
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	56,905	53,295
Amortization expense	5,700	6,323
Expected credit reversal gains	(205)	(67)
Impairment loss	5,761	-
Interest expense	9,620	8,201
Interest income	(2,568)	(4,728)
Gain on disposal of property, plan and equipment	-	(935)
Gain on lease modification	-	(10)
<b>Total adjustments to reconcile profit</b>	<b>75,213</b>	<b>62,079</b>
<b>Changes in operating assets and liabilities:</b>		
Notes receivable and accounts receivable	(180,268)	34,915
Other receivable	3,354	(2,027)
Inventories	(36,440)	2,770
Prepayments and other current assets	(2,584)	(4,529)
Net defined benefit assets	(70)	(142)
<b>Total changes in operating assets</b>	<b>(216,008)</b>	<b>30,987</b>
Contract liabilities	(57,192)	36,696
Accounts payable	78,636	(10,502)
Other payable	(13,920)	(4,085)
Deferred income	(3,771)	(4,076)
Other current liabilities	(914)	192
<b>Total changes in operating liabilities</b>	<b>2,839</b>	<b>18,225</b>
<b>Total adjustments</b>	<b>(137,956)</b>	<b>111,291</b>
Cash inflow (outflow) generated from operations	(106,623)	114,144
Interest received	2,568	4,728
Interest paid	(9,620)	(8,201)
Income taxes paid	(8,887)	(5,352)
<b>Net cash flows from (used in) operating activities</b>	<b>(122,562)</b>	<b>105,319</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of property, plant and equipment	(36,690)	(25,798)
Proceeds from disposal of property, plant and equipment	-	17,994
Increase in refundable deposits	-	(4,761)
Decrease in refundable deposits	3,129	-
Acquisition of intangible assets	(1,274)	-
Increase in prepayments for equipments	(5,550)	(10,634)
<b>Net cash flows from (used in) investing activities</b>	<b>(40,385)</b>	<b>(23,199)</b>
<b>Cash flows from (used in) financing activities:</b>		
Increase (decrease) in short-term loans	50,347	(45,566)
Proceeds from long-term debt	161,398	62,560
Repayments of long-term debt	(157,248)	(17,622)
Payment of lease liabilities	(13,894)	(12,191)
Cash dividends paid	(6,885)	(20,654)
Benefits gained from exercising disorgement	-	33
Change in non-controlling interests	3,107	-
<b>Net cash flows from (used in) financing activities</b>	<b>36,825</b>	<b>(33,440)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>22,646</b>	<b>(8,751)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(103,476)</b>	<b>39,929</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>319,187</b>	<b>279,258</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 215,711</b>	<b>319,187</b>

See accompanying notes to consolidated financial statements.

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

**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

**For the years ended December 31, 2024 and 2023**

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

**(1) Company history**

JHEN VEI ELECTRONIC CO., LTD (Hua Yin Group, hereinafter referred to as “the Group”), formerly known as JHEN VEI ELECTRONIC CO., LTD., was established by the Ministry of Economic Affairs on February 21, 1986. As of June 19, 2020, the name of the Group was approved by the general shareholders’ meeting to be changed to JHEN VEI ELECTRONIC CO., LTD. The registered address is 6F, No. 18, Ln 609, Sec 5, Chongxin Rd., Sanchong Dist., New Taipei City 24159, Taiwan. The principal activities of the Company and its subsidiaries (hereinafter referred to as the “Group”) are trading of plug, socket, computer cable, the after processing of electronic components, Solar power plant construction services and renewable energy generation.

**(2) Approval date and procedures of the consolidated financial statements:**

These consolidated financial statements were authorized for issue by the Board of Directors on March 13, 2025.

**(3) New standards, amendments and interpretations adopted:**

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

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

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

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

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

- Amendments to IAS21 “Lack of Exchangeability”

(Continued)

**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

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

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> <li>• A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities.</li> <li>• Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.</li> <li>• Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.</li> </ul>	January 1, 2027

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## **JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**

### **Notes to the Consolidated Financial Statements**

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

#### **(4) Summary of material accounting policies:**

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

##### **(a) Statement of compliance**

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

##### **(b) Basis of preparation**

###### **(i) Basis of measurement**

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

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation.

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**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ii) Functional and presentation currency

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

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

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

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

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

When the Group loses control over a subsidiary, it derecognizes the assets (including any goodwill) and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any interest retained in the former subsidiary is measured at fair value when control is lost, with the resulting gain or loss being recognized in profit or loss. The Group recognizes as gain or loss in profit or loss the difference between (i) the fair value of the consideration received as well as any investment retained in the former subsidiary at its fair value at the date when control is lost ;and (ii) the assets (including any goodwill), liabilities of the subsidiary as well as any related non-controlling interests at their carrying amounts at the date when control is lost, as gain or loss in profit or loss. When the Group loses control of its subsidiary, it accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if it had directly disposed of the related assets or liabilities.

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**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ii) List of subsidiaries in the consolidated financial statements

List of the subsidiaries included in the consolidated financial statements:

Name investor	Name of investee	Scope of business	Percentage of ownership		Description
			December 31, 2024	December 31, 2023	
The Group	Jhen Vei Enterprise Co.,Ltd.	Manufacturing and sales of various types of signal cables and investment holding	100.00 %	100.00 %	
The Group	Pors Wiring Co.,Ltd.	Investment holding	100.00 %	100.00 %	
The Group	Hua Yin Energy	Power generation for self usage using renewable energy	- %	100.00 %	Note 2
The Group	Gou Zhi Electronic	After processing of electronic	100.00 %	100.00 %	
Jhen Vei Enterprise Co.,Ltd.	Huai An Jhen Vei Electronic Co., Ltd.	Manufacturing and sales of various types of signal cables	100.00 %	100.00 %	
Jhen Vei Enterprise Co.,Ltd.	Jhen Vei Investment Limited	Investment holding	100.00 %	100.00 %	
Pors Wiring Co.,Ltd.	JVE(THAILAND)Co.,Ltd.	Manufacturing and sales of various types of signal cables	65.00 %	- %	Note 1

Note 1: JVE(THAILAND) Co.,Ltd. was approved by the Thailand Business Development Office on January 2, 2024, wherein the Group is its largest shareholder, resulting in the Group to have significant influence and control over its relevant operational activities. Therefore, JVE(THAILAND) Co.,Ltd. has been included in the consolidated financial statements.

Note 2: Hua Yin Energy Co., Ltd. submitted a simplified merger application with the Group to the competent authority on June 30, 2024. The settlement report was completed on October 17, 2024.

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

(d) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Nonmonetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

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

(ii) Foreign operations

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

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**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

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

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

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

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

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

(f) Cash and cash equivalents

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

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**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(g) Financial instruments

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

(i) Financial assets

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

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

1) Financial assets measured at amortized cost

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

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

2) Impairment of financial assets

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

- debt securities that are determined to have low credit risk at the reporting date ; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

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

The Group considers a financial asset to be in default when the financial asset is more than 90 days past due or the debtor is unlikely to pay its credit obligations to the Group in full.

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

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

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

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

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**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

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

3) Financial liabilities

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

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**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

4) Derecognition of financial liabilities

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

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

5) Offsetting of financial assets and liabilities

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

(h) Inventories

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

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

The cost of inventories transferred from biological assets is its fair value less costs to sell at the date of harvest.

(i) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses. The cost of certain items of property, plant and equipment on January 1, 2012, the Group's date of transition to the Standards, was determined with reference to its fair value at that date.

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

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

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**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**  
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(ii) Subsequent expenditure

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

(iii) Depreciation

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

Land is not depreciated.

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

1) buildings	20 years
2) plant and equipment	5~10 years
3) fixtures and fittings	5 years
4) major components, electronic equipment	2~10 years

(j) Leases

(i) As a lessee

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

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

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

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

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

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**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**  
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- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

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

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

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

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

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

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery.

**(k) Intangible assets**

**(i) Recognition and measurement**

Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

**(ii) Subsequent expenditure**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

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**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**  
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(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

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

1) Trademarks and patents	10 years
2) Core technology	10 years
3) Customer relationships	2 years

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

(l) Provisions

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

The Group's decommissioning liabilities are estimated in accordance with the Regulations for the Management of Setting up Renewable Energy Power Generation Equipment issued by Energy Administration of the Ministry of Economic Affairs of the ROC. These amounts were calculated based on the size of the power plants, and were recognized at the present values of the estimated decommissioning costs to be incurred.

(m) Revenue from contracts with customers

(i) Revenue from contracts with customers

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

1) Sale of goods—electronic components

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

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## JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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

2) Power electric revenue

The Group recognized the power electric revenue is based on the actual electric units and electric rate.

3) Construction contracts

The Group enters into contracts to build residential properties, commercial buildings and public constructions. Because its customer controls the asset as it is constructed, the Group recognizes revenue over time on the basis of 【the construction costs incurred to date as a proportion of the total estimated costs of the contract / the surveys of work performed / completion of a physical proportion of the contract work】. The consideration promised in the contract includes fixed and variable amounts. The customer pays the fixed amount based on a payment schedule. For some variable considerations (for example, a penalty payment calculated based on delay days), accumulated experience is used to estimate the amount of variable consideration, using the expected value method. For other variable considerations (for example, completion bonus if a construction is completed by a specified date), the Group estimates the amount of variable consideration using the most likely amount. Considering the progress of a public construction is highly susceptible to factors outside the Group's control and, therefore, completion bonus is usually constrained, the Group recognizes revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. If the Group has recognized revenue, but not issued a bill, then the entitlement to consideration is recognized as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.

If the Group cannot reasonably measure its progress towards complete satisfaction of the performance obligation of a construction contract, the Group shall recognize revenue only to the extent of the costs expected to be recovered.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

4) Financing components

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

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(n) Government grants and government assistance

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

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(p) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

Grant date of a share-based payment award is the date which the board of directors authorized the price and number of a new award.

(q) Income taxes

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

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

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

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

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**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**  
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Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

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

- (i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - 1) the same taxable entity; or
  - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(r) Earnings per share

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

(s) Operating segments

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

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**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

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

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

There are no critical judgments in applying accounting policies that have significant effect on the amounts recognized in the consolidated financial statements.

There are no information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**(6) Explanation of significant accounts:**

**(a) Cash and cash equivalents**

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Cash on hand and petty cash	\$ 623	598
Cash in banks and demand deposits	215,088	318,589
	<b><u>\$ 215,711</u></b>	<b><u>319,187</u></b>

Please refer to Note 6(r) for the fair value sensitivity analysis and interest rate risk of the financial assets and liabilities of the Group.

**(b) Notes and accounts receivable**

Details are set out in the following table:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Notes receivable	\$ 155	1,482
Accounts receivable	487,264	318,721
Less: Loss allowance	(489)	(1,252)
	<b><u>\$ 486,930</u></b>	<b><u>318,951</u></b>

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**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**  
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The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. Includes macroeconomics and related industry information. The ECL analysis of notes receivable and accounts receivable of the Group was as follows:

<b>December 31, 2024</b>			
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 478,606	0.1%	(317)
1 to 30 days past due	8,588	1%	(86)
31 to 60 days past due	185	25%	(46)
61 to 90 days past due	-	0%	-
Past due over 91 days	40	100%	(40)
	<b>\$ 487,419</b>		<b>(489)</b>

  

<b>December 31, 2023</b>			
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 317,136	0.1%	(313)
1 to 30 days past due	1,070	1%	(11)
31 to 60 days past due	1,416	25%	(354)
61 to 90 days past due	14	50%	(7)
Past due over 91 days	567	100%	(567)
	<b>\$ 320,203</b>		<b>(1,252)</b>

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

<b>For the years ended December 31,</b>		
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 1,252	1,322
Expected credit gains	(205)	(67)
The amount written off this year due to uncollectibility	(567)	-
Foreign exchange gains (losses)	9	(3)
Balance at December 31	<b>\$ 489</b>	<b>1,252</b>

(Continued)

**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**  
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The payment terms granted to customers are generally 120 days for sales of goods. Interests are not accrued for accounts receivable, please refer to Note 6(r) for information on other credit risks.

As of December 31, 2024 and 2023, the notes and accounts receivable of the Group were not pledged as collateral.

(c) Other receivables

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Other receivables	\$ 63,698	67,052
Less: loss allowance	<u>(58,216)</u>	<u>(58,216)</u>
	<b><u>\$ 5,482</u></b>	<b><u>8,836</u></b>

The Group signed an investment agreement for television programs on January 3, 2017 with an agreed investment of \$50,000 thousand and a new agreement was subsequently entered on May 16, 2017 with an agreed investment of \$65,000 thousand. This investment case is a principal protection investment agreement. The Group is entitled to the net profit distribution of the project according to the contract upon the expiry of the investment term. If the amount recovered at maturity is less than \$65,000 thousand, the shortfall is to be covered by the counterparty within one month from the date of termination of the investment term. In addition, the Group try to work with program broadcast by contributing marketing fees successively, amounting to RMB\$3,000 thousand (equivalent to NT\$13,664 thousand), and the license fee of \$2,991 thousand for the program to be authorized for broadcasting in Taiwan. However, the program production has decided to adjust its performance pattern to improve the program quality after broadcasting on television stations in mainland China in July 2017. The recording and broadcasting were suspended after the fourth episode broadcast in August 2017. Thus, the Group complied with principal protection provisions and transferred its financial assets from available-for-sale financial assets to other receivables and entered into repayment agreements with the trading counterparty. An agreement was made to repay \$77,341 thousand in installments before December 31, 2017 (including \$65,000 thousand for investment and \$9,350 thousand for unused license fees and \$2,991 thousand (US\$93.6 thousand)). As the end of 2017, the Group had recovered \$19,125 thousand (US\$632 thousand), but the management after considering the possibility of collection, had included all outstanding amounts as bad debts.

The Group filed a lawsuit to the Taiwan Taipei District Court in November 2018 for the contract mentioned above. The Taiwan Taipei District Court ruled on September 11, 2019 that the Group had won the appeal. The Group appointed a lawyer to apply to the Beijing No.4 Intermediate People's Court for recognition and enforcement of the judgment of the Taiwan Taipei District Court in 2021, and obtained the civil decision from the Beijing No.4 Intermediate People's Court on December 10, 2021. The ruling approved the execution of the 2018 re-appeal civil judgment No. 1339 by the Taipei District Court. The Group appealed to the People's Court on March 8, 2022 for enforcement, and the other receivables mentioned above were not received after the People's Court performed its execution on August 25, 2022.

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(d) Inventories

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Raw materials and consumables	\$ 119,384	81,786
Finished goods	27,971	26,856
Merchandise	19,481	25,674
Work in progress	12,173	5,865
Construction work-in-process	-	2,388
	<b>\$ 179,009</b>	<b>142,569</b>
	<b>2024</b>	<b>2023</b>
Inventory is transferred for sales	\$ 866,520	655,709
Construction costs of power plants	27,329	47,498
Cost of electricity sold by power plants	19,731	-
Loss on write-down of inventories (reversal gains)	1,289	3,105
Other	23,478	1,378
	<b>\$ 938,347</b>	<b>707,690</b>

As of December 31, 2024 and 2023, there was no inventory pledged as collateral.

(e) Property, plant and equipment

	<b>Land</b>	<b>Buildings and Construction</b>	<b>Machinery equipment</b>	<b>Transporta tion equipment</b>	<b>Other equipment</b>	<b>Construction work- inprocess</b>	<b>Total</b>
Costs							
Balance at January 1, 2024	\$ 25,980	91,130	454,989	4,851	27,040	1,691	605,681
Additions	-	222	39,526	747	1,074	576	42,145
Reclassification	-	-	-	270	-	(2,354)	(2,084)
Disposal	-	-	-	(1,695)	-	-	(1,695)
Effects of changes in foreign exchange rates	-	4,035	2,831	165	636	87	7,754
Balance at December 31, 2024	<b>\$ 25,980</b>	<b>95,387</b>	<b>497,346</b>	<b>4,338</b>	<b>28,750</b>	<b>-</b>	<b>651,801</b>
Balance at January 1, 2023	\$ 25,980	92,458	435,802	3,528	20,881	-	578,649
Additions	-	-	5,777	1,561	7,498	1,691	16,527
Reclassification	-	-	34,588	-	(1,123)	-	33,465
Disposal	-	-	(20,243)	(210)	(57)	-	(20,510)
Effects of changes in foreign exchange rates	-	(1,328)	(935)	(28)	(159)	-	(2,450)
Balance at December 31, 2023	<b>\$ 25,980</b>	<b>91,130</b>	<b>454,989</b>	<b>4,851</b>	<b>27,040</b>	<b>1,691</b>	<b>605,681</b>

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**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<u>Land</u>	<u>Buildings and Construction</u>	<u>Machinery equipment</u>	<u>Transporta tion equipment</u>	<u>Other equipment</u>	<u>Construction work- inprocess</u>	<u>Total</u>
Depreciation:							
Balance at January 1, 2024	\$ -	23,438	94,004	2,238	14,776	-	134,456
Depreciation	-	4,358	33,218	695	4,326	-	42,597
Disposal	-	-	-	(1,695)	-	-	(1,695)
Reclassification	-	-	-	36	-	-	36
Effects of changes in foreign exchange rates	-	1,175	2,160	57	456	-	3,848
Balance at December 31, 2024	<u>\$ -</u>	<u>28,971</u>	<u>129,382</u>	<u>1,331</u>	<u>19,558</u>	<u>-</u>	<u>179,242</u>
Balance at January 1, 2023	\$ -	19,476	66,411	1,852	10,669	-	98,408
Depreciation	-	4,309	31,719	456	4,278	-	40,762
Disposal	-	-	(3,379)	(42)	(30)	-	(3,451)
Effects of changes in foreign exchange rates	-	(347)	(747)	(28)	(141)	-	(1,263)
Balance at December 31, 2023	<u>\$ -</u>	<u>23,438</u>	<u>94,004</u>	<u>2,238</u>	<u>14,776</u>	<u>-</u>	<u>134,456</u>
Carrying amounts:							
Balance at December 31, 2024	<u>\$ 25,980</u>	<u>66,416</u>	<u>367,964</u>	<u>3,007</u>	<u>9,192</u>	<u>-</u>	<u>472,559</u>
Balance at January 1, 2023	<u>\$ 25,980</u>	<u>72,982</u>	<u>369,391</u>	<u>1,676</u>	<u>10,212</u>	<u>-</u>	<u>480,241</u>
Balance at December 31, 2023	<u>\$ 25,980</u>	<u>67,692</u>	<u>360,985</u>	<u>2,613</u>	<u>12,264</u>	<u>1,691</u>	<u>471,225</u>

(i) As of December 31, 2024 and 2023 the aforesaid property, plant and equipment of the Group were not pledged as collateral.

(ii) Property, plant and equipment falls within the scope of government subsidy income (it is accounted for as long-term deferred income), which will be transferred to profit and loss over the expected useful life.

(f) Right-of-use assets

The cost and depreciation of leased buildings and transportation equipment of the Group were as follows:

	<u>Landuse Right</u>	<u>Buildings and Construction</u>	<u>Transportation equipment</u>	<u>Total</u>
Cost:				
Balance at January 1, 2024	\$ 1,840	56,081	3,074	60,995
Additions	-	34,601	4,330	38,931
Disposal	-	(17,342)	-	(17,342)
Effects of changes in foreign exchange rates	96	413	-	509
Balance at December 31, 2024	<u>\$ 1,936</u>	<u>73,753</u>	<u>7,404</u>	<u>83,093</u>

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**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<u>Landuse Right</u>	<u>Buildings and Construction</u>	<u>Transportation equipment</u>	<u>Total</u>
Balance at January 1, 2023	\$ 1,872	46,751	2,712	51,335
Additions	-	13,232	1,040	14,272
Disposal	-	(3,902)	(678)	(4,580)
Effects of changes in foreign exchange rates	(32)	-	-	(32)
Balance at December 31, 2023	<u>\$ 1,840</u>	<u>56,081</u>	<u>3,074</u>	<u>60,995</u>
Accumulated depreciation:				
Balance at January 1, 2024	\$ 239	18,768	2,041	21,048
Depreciation	49	12,547	1,712	14,308
Disposal	-	(17,342)	-	(17,342)
Effects of changes in foreign exchange rates	14	44	-	58
Balance at December 31, 2024	<u>\$ 302</u>	<u>14,017</u>	<u>3,753</u>	<u>18,072</u>
Balance at January 1, 2023	\$ 195	9,610	1,545	11,350
Depreciation	48	11,311	1,174	12,533
Disposal	-	(2,149)	(678)	(2,827)
Effects of changes in foreign exchange rates	(4)	(4)	-	(8)
Balance at December 31, 2023	<u>\$ 239</u>	<u>18,768</u>	<u>2,041</u>	<u>21,048</u>
Carrying amounts:				
Balance at December 31, 2024	<u>\$ 1,634</u>	<u>59,736</u>	<u>3,651</u>	<u>65,021</u>
Balance at January 1, 2023	<u>\$ 1,677</u>	<u>37,141</u>	<u>1,167</u>	<u>39,985</u>
Balance at December 31, 2023	<u>\$ 1,601</u>	<u>37,313</u>	<u>1,033</u>	<u>39,947</u>

As of December 31, 2024 and 2023, there was no right-of-use assets pledged as collateral.

(g) Intangible assets

The cost, amortization and impairment loss of the intangible assets of the Group were as follows:

	<u>Goodwill</u>	<u>Patent Rights</u>	<u>Customer relationships</u>	<u>Computer software</u>	<u>Total</u>
Cost:					
Balance at January 1, 2024	\$ 15,228	5,178	49,815	1,648	71,869
Acquisitions	-	-	-	1,274	1,274
Balance at December 31, 2024	<u>\$ 15,228</u>	<u>5,178</u>	<u>49,815</u>	<u>2,922</u>	<u>73,143</u>
Balance at December 31, 2023 (i.e. opening balance)	<u>\$ 15,228</u>	<u>5,178</u>	<u>49,815</u>	<u>1,648</u>	<u>71,869</u>

(Continued)

**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<u>Goodwill</u>	<u>Patent Rights</u>	<u>Customer relationships</u>	<u>Computer software</u>	<u>Total</u>
Depreciation:					
Balance at January 1, 2024	\$ -	1,036	9,962	1,475	12,473
Amortization	-	518	4,982	200	5,700
Impairment loss	5,761	-	-	-	5,761
Balance at December 31, 2024	<u>\$ 5,761</u>	<u>1,554</u>	<u>14,944</u>	<u>1,675</u>	<u>23,934</u>
Balance at January 1, 2024	\$ -	518	4,981	651	6,150
Amortization	-	518	4,981	824	6,323
Balance at December 31, 2024	<u>\$ -</u>	<u>1,036</u>	<u>9,962</u>	<u>1,475</u>	<u>12,473</u>
Carrying amounts:					
Balance at December 31, 2024	<u>\$ 9,467</u>	<u>3,624</u>	<u>34,871</u>	<u>1,247</u>	<u>49,209</u>
Balance at January 1, 2023	<u>\$ 15,228</u>	<u>4,660</u>	<u>44,834</u>	<u>997</u>	<u>65,719</u>
Balance at December 31, 2023	<u>\$ 15,228</u>	<u>4,142</u>	<u>39,853</u>	<u>173</u>	<u>59,396</u>

(i) Impairment testing of Goodwill

On January 1, 2022, the Group established an electronic components post-processing department to acquire Xiuyan Company. The acquisition generating goodwill of \$15,228 thousand was mainly due to the operational growth benefits brought by the acquisition. According to International Accounting Standard 36, goodwill acquired through business combinations must be tested for impairment at least annually. The impairment test for goodwill involves allocating the goodwill to the cash-generating units (CGUs) expected to benefit from the synergies of the combination. The electronic components post-processing department is a CGU capable of generating independent cash flows. Therefore, in order for the Group to determine if an impairment provision is necessary, it calculates its department's value in use and assess the carrying amount of its net assets.

As of December 31, 2024, the Group recognized an impairment loss of \$5,761 thousand as the recoverable amount determined based on the value in use of its electronic components post-processing department being lower than its carrying amount. The recognized impairment loss reduced the carrying amount of goodwill allocated to the CGU of the electronic components post-processing department and was reported under 'Other gains and losses' in the consolidated statement of comprehensive income, wherein the estimated value in use was calculated using a pre-tax discount rate of 7.82%.

As of December 31, 2024 and 2023, there was no intangible assets pledged as collateral.

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**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(h) Short-term borrowings

(i) The details of the Group's short-term borrowings were as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Unsecured bank borrowings	\$ 25,000	5,000
Secured bank loans	76,205	43,352
Total	<b>\$ 101,205</b>	<b>48,352</b>
Unused short-term credit lines	<b>\$ 223,080</b>	<b>253,461</b>
Range of Interest rate	<b>2.24%~5.62%</b>	<b>2.25%~6.59%</b>

(ii) The Group refer to note 8 for a description of the Group's assets pledged as collateral to secure the bank loans.

(i) Long-term borrowings

(i) The details of the Group's long-term borrowings were as follows:

<b>December 31, 2024</b>			
<b>Currency</b>	<b>Rate</b>	<b>Maturity year</b>	<b>Amount</b>
Secured bank loans	TWD	2.22%~2.478%	\$ 268,677
Less: current portion			(33,839)
Total			<b>\$ 234,838</b>
Unused long-term credit lines			<b>\$ 40,247</b>

  

<b>December 31, 2023</b>			
<b>Currency</b>	<b>Rate</b>	<b>Maturity year</b>	<b>Amount</b>
Secured bank loans	TWD	2.095%~2.693%	\$ 264,527
Less: current portion			(21,434)
Total			<b>\$ 243,093</b>
Unused long-term credit lines			<b>\$ 8,419</b>

(ii) The Group refer to note 8 for a description of the Group's assets pledged as collateral to secure the bank loans.

(Continued)

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**Notes to the Consolidated Financial Statements**

(j) Lease liabilities

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

	December 31, 2024	December 31, 2023
Current	\$ <u>11,924</u>	<u>8,720</u>
Non-current	\$ <u>52,490</u>	<u>30,255</u>

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

The amounts recognized in profit or loss were as follows:

	For the years ended December 31, 2024	2023
Interest on lease liabilities	\$ <u>1,432</u>	<u>749</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>3,061</u>	<u>3,046</u>
Expenses relating to short-term leases	\$ <u>683</u>	<u>901</u>
Expenses relating to leases of low-value assets	\$ <u>675</u>	<u>520</u>

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

	For the years ended December 31, 2024	2023
Total cash outflow for leases	\$ <u>19,745</u>	<u>17,407</u>

(i) Real estate leases

The Group leases buildings for its office space, the lease of office space typically run for a period from 3 to 5 years. the Group also leases building rooftops as sites for solar power generation, with the leases term typically run for 20 years.

Some leases contain extension options exercisable by the Group. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable not only by the Group and by the lessors. In which lessee is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(ii) Other leases

(Continued)

**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(k) Employee benefits

(i) Defined benefit plans

The Group's employee benefit liabilities were as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Present value of the defined benefit obligations	\$ 2,522	2,221
Fair value of plan assets	(15,777)	(14,324)
Net defined benefit liabilities (assets)	<u><u>\$ (13,255)</u></u>	<u><u>(12,103)</u></u>

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company's Bank of Taiwan labor pension reserve account balance amounted to \$15,777 thousand as of December 31, 2024. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

For the years ended December 31, 2024 and 2023, the movement in present value of the defined benefit obligations for the Company were as follows:

	<b>2024</b>	<b>2023</b>
Defined benefit obligations at January 1	\$ 2,221	1,945
Current service costs and interest cost	113	94
Current service costs and interest cost		
— Actuarial losses (gains) arising from experience adjustments	278	26
— Actuarial loss (gain) arising from changes in financial assumptions	(90)	156
Defined benefit obligations at December 31	<u><u>\$ 2,522</u></u>	<u><u>2,221</u></u>

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3) Movements of defined benefit plan assets

For the years ended December 31, 2024 and 2023, the movements in the present value of the defined benefit plan assets for the Company were as follows:

	<u>2024</u>	<u>2023</u>
Fair value of plan assets at January 1	\$ 14,324	14,025
Interest income	184	236
Remeasurement of net liabilities (assets) for defined benefit obligations	-	-
— Return on plan assets excluding interest income	<u>1,269</u>	<u>63</u>
Fair value of plan assets at December 31	<u><u>\$ 15,777</u></u>	<u><u>14,324</u></u>

4) Expenses recognized in profit or loss

For the years ended December 31, 2024 and 2023, the expenses recognized in profit or loss for the Company were as follows:

	<u>2024</u>	<u>2023</u>
Current service costs	\$ 86	61
Net interest of net liabilities (assets) for defined benefit	<u>(156)</u>	<u>(203)</u>
	<u><u>\$ (70)</u></u>	<u><u>(142)</u></u>
Operating cost	<u><u>\$ (70)</u></u>	<u><u>(142)</u></u>

5) Re-measurement of net defined benefit liability recognized in other comprehensive income

The Company's re-measurement of the net defined benefit liability; recognized in other comprehensive income, was as follows:

	<u>2024</u>	<u>2023</u>
Cumulated amount at January 1	\$ 1,627	1,746
Recognized during the period	<u>1,082</u>	<u>(119)</u>
Cumulated amount at December 31	<u><u>\$ 2,709</u></u>	<u><u>1,627</u></u>

6) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount rate	1.5205 %	1.2892 %
Future salary increase rate	2.000 %	2.000 %

(Continued)

**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**  
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The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is \$0 thousand.

The weighted-average lifetime of the defined benefits plans is 16.19 years.

7) Sensitivity analysis

For the year ended in December 31, 2024 and 2023, if the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	<b>Influences of defined benefit obligation</b>	
	<b>Increased 0.25%</b>	<b>Decreased 0.25%</b>
December 31, 2024		
Discount rate	(97)	102
Future salary increase rate	100	(95)
December 31, 2023		
Discount rate	(86)	91
Future salary increase rate	89	(84)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. In practical, the relevant actuarial assumptions are correlated to each other. The method used in the sensitivity analysis is consistent with the calculation on the net defined benefit liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2024 and 2023.

(ii) Defined contribution plans

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

Under the contribution pension plan, the Group's pension costs amounted to \$3,613 thousand and \$3,913 thousand for the years ended December 31, 2024 and 2023, respectively.

The pension costs incurred from the contribution to the Bureau of Labor Insurance amounted to \$10,522 thousand and \$9,196 thousand for the year ended December 31, 2024 and 2023, respectively.

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(l) Income taxes

(i) Income tax expense

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

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Current tax expense		
Current period	\$ 6,572	5,353
Adjustment for prior years	<u>2,290</u>	<u>-</u>
Deferred tax income		
Occurrence and reversal of temporary difference	<u>2,838</u>	<u>(6,319)</u>
Income tax expense	<u><b>\$ 11,700</b></u>	<u><b>(966)</b></u>

2) Reconciliation of income tax and income before tax in 2024 and 2023 was as follows:

	<b>2024</b>	<b>2023</b>
Profit before tax	<u><b>\$ 31,333</b></u>	<u><b>2,853</b></u>
Income tax using the Company's domestic tax rate	\$ 10,361	4,406
Loss of investing domestic subsidiaries	3,948	8,378
Prior year income tax underestimation	2,290	292
Recognition of previously unrecognized tax losses	280	(14,042)
Change in unrecognized temporary differences	(6,338)	-
Additional tax on undistributed earnings	<u>1,159</u>	<u>-</u>
Total	<u><b>\$ 11,700</b></u>	<u><b>(966)</b></u>

(ii) Deferred tax assets and liabilities

1) Unrecognized Deferred Tax Liabilities

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Tax effect of deductible Temporary Differences	\$ 239,425	273,734
Unused tax losses	<u>72,343</u>	<u>97,636</u>
	<u><b>\$ 311,768</b></u>	<u><b>371,370</b></u>

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

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

<u>Year of loss</u>	<u>Unused tax loss</u>	<u>Expiry date</u>
2017	\$ 29,446	2027
2018	40,577	2028
2019	19,144	2029
2020	6,602	2030
2024	1,401	2034
	<u><u>\$ 97,170</u></u>	

2) Recognized deferred tax assets and liabilities

		Defined benefit plans						
Deferred tax assets :								
January 1, 2024	\$		2,514					
Recognized in profit or loss			<u>1,741</u>					
December 31, 2024	\$		<u><u>4,255</u></u>					
January 1, 2021	\$		3,572					
Recognized in profit or loss			<u>(1,058)</u>					
December 31, 2023	\$		<u><u>2,514</u></u>					
		Bad debt limit exceeded	Write-down of inventories	Unrealized depreciation	Unrealized exchange gain (loss)	Accumulated loss	Other	Total
Deferred tax liabilities :								
January 1, 2024	\$	22	1,419	14,304	248	4,966	743	21,702
Recognized in profit or loss		21	500	(921)	46	-	(743)	(1,097)
Effects of changes in foreign exchange rates		<u>3</u>	<u>75</u>	<u>722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>800</u>
December 31, 2024	\$	<u><u>46</u></u>	<u><u>1,994</u></u>	<u><u>14,105</u></u>	<u><u>294</u></u>	<u><u>4,966</u></u>	<u><u>-</u></u>	<u><u>21,405</u></u>
January 1, 2021	\$	21	931	15,586	173	-	-	16,711
Recognized in profit or loss		2	508	(1,033)	75	4,966	743	5,261
		<u>(1)</u>	<u>(20)</u>	<u>(249)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(270)</u>
December 31, 2023	\$	<u><u>22</u></u>	<u><u>1,419</u></u>	<u><u>14,304</u></u>	<u><u>248</u></u>	<u><u>4,966</u></u>	<u><u>743</u></u>	<u><u>21,702</u></u>

(iii) Assessment of tax

The Company's tax returns for the years through 2022 were assessed by the Taipei National Tax Administration.

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**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**  
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(m) Capital and other equity

As of December 31, 2024 and 2023 the Group' s authorized share capital comprised 120,000 thousand shares with the par value of \$10 per share, amounting to \$1,200,000 thousand. The total number of issued shares were \$68,847 thousand ordinary shares. All issued shares were paid up upon issuance.

(i) Ordinary shares

The Group aims to enhance its financial structure and strengthen its competitiveness by increasing its working capital, investee companies and responding to the capital requirements of the future operational development of the Group. Pursuant to the resolution of the general shareholders' meeting on June 25, 2024, the board was authorized to issue ordinary shares for cash capital increase through private placement of not more than 10,000 thousand shares with one year.

The Company's Board of Directors resolved on May 13, 2024 and May 11, 2023 to cancel the private placement quotas for 2023 and 2022, respectively.

The rights and obligations of ordinary shares issued through private placement are the same as those ordinary shares issued by the Group. However, under the provisions of Securities and Exchange Act, the ordinary shares issued through private placement may only apply to the competent authorities for listing complying with the relevant provisions of the Securities Exchange Act, three years after the delivery date and such shares should be reissued through public offering.

(ii) Capital surplus

The balances of capital surplus were as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Share capital at premium	\$ 56,000	56,000
Changes in ownership interests in subsidiaries	2,536	2,536
Benefits gained from exercising disgorgement	33	33
Employee stock options	2,970	2,970
	<b><u>\$ 61,539</u></b>	<b><u>61,539</u></b>

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**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**  
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According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received.

According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) Retained earnings

The Company's article of incorporation stipulate that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

Before the distribution of dividends, the Company shall first take into consideration its operating environment, industry developments, and the long-term interests of stockholders, as well as its programs to maintain operating efficiency and meet its capital expenditure budget and financial goals in determining the stock or cash dividends to be paid. After the above appropriations, current and prior-period earnings that remain undistributed will be proposed for distribution by the Board of Directors, and a meeting of shareholders will be held to decide on this matter. The cash dividends shall not be more than 10% of total dividends.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with the rules issued by the FSC, a portion of current-period earnings and undistributed prior-period earnings shall be allocated as special reserve during earnings distribution. The amount to be reclassified should equal to the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earning distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

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**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**  
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3) Earnings distribution

The amount of cash dividends on the appropriations of earnings for 2023 and 2022, had been approved during The Shareholder's meeting on June 25, 2024 and June 29, 2023, respectively. The amount of dividend distribution to shareholders were as follows:

	<b>2023</b>		<b>2022</b>	
	<b>Amount per share (in dollars)</b>	<b>Total Amount</b>	<b>Amount per share (in dollars)</b>	<b>Total Amount</b>
Dividends distributed to ordinary shareholders:				
Cash	\$ <u><b>0.10</b></u>	<u><b>6,885</b></u>	<u><b>0.30</b></u>	<u><b>20,654</b></u>

(n) Earnings per share

The calculation of basic earnings per share and diluted earnings per share for the year 2024 and 2023 are as follows:

1. Basic earnings per share

	<b>2024</b>	<b>2023</b>
Net profit (loss) attributable to ordinary shareholders of the Group	\$ <u><b>20,128</b></u>	<u><b>3,819</b></u>
Weighted average number of ordinary thousand shares at December 31(in thousands of shares)	<u><b>68,847</b></u>	<u><b>68,847</b></u>
Basic earnings per share	\$ <u><b>0.29</b></u>	<u><b>0.06</b></u>

2. Diluted earnings per share

	<b>2024</b>	<b>2023</b>
Net profit (loss) attributable to ordinary shareholders of the Group (dilutive)	\$ <u><b>20,128</b></u>	<u><b>3,819</b></u>
Weighted average number of ordinary thousand shares at December 31(in thousands of shares)	68,847	68,847
Effect of employee share bonus(in thousands of shares)	\$ <u>36</u>	<u>22</u>
Weighted-average number of common shares outstanding (After the effect of diluted potential ordinary share is adjusted) (in thousands of shares)	<u><b>68,883</b></u>	<u><b>68,869</b></u>
Diluted earnings per share	\$ <u><b>0.29</b></u>	<u><b>0.06</b></u>

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**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(o) Revenue from contracts with customer

(i) Details of revenue

	<u>2024</u>	<u>2023</u>
Primary geographical markets:		
Taiwan	\$ 241,999	213,225
China	718,284	498,485
America	106,900	114,901
Others	<u>30,611</u>	<u>9,715</u>
	<u><b>\$ 1,097,794</b></u>	<u><b>836,326</b></u>
Major products/service lines:		
Electronic components	\$ 793,764	536,701
After processing of electronic components	206,428	230,001
Energy Revenues	49,587	38,576
Power plant engineering service revenue	<u>48,015</u>	<u>31,048</u>
	<u><b>\$ 1,097,794</b></u>	<u><b>836,326</b></u>

(ii) Contract balances

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Notes receivable	\$ 155	1,482	2,200
Accounts receivable	487,264	318,721	346,966
Less: Loss allowance	<u>(489)</u>	<u>(1,252)</u>	<u>(1,322)</u>
Total	<u><b>\$ 486,930</b></u>	<u><b>318,951</b></u>	<u><b>347,844</b></u>
Contract liabilities	<u><b>\$ 6,469</b></u>	<u><b>63,661</b></u>	<u><b>26,965</b></u>

For details on notes and accounts receivable and allowance for impairment, please refer to note 6(b).

The amounts of revenue recognized for the years ended December 31, 2024 and 2023 included the contract liability balance at the beginning of the period amounting to \$12,899 thousand and \$26,905 respectively. In addition, according to the above agreement that was cancelled, the liabilities as of January 1, 2024 totaled \$50,526 thousand, with the funds having been returned in the first quarter of 2024.

Contract liabilities primarily relate to advance consideration received from customer for power plant construction that has not yet finished and electronic component sales contracts, for which revenue is recognized during the construction period and when the products are delivered to customers, respectively.

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(p) Employee compensation and directors' and supervisors' remuneration

Employee compensation and directors' and supervisors' remuneration

In accordance with the articles of incorporation, the company should contribute no less than 2.5% of the profit as employee's compensation and less than 3% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and supervisor and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company's subsidiaries who meet certain conditions.

For the years ended December 31, 2024, the Company estimated its employee remuneration amounting to \$695 thousand, and directors' and supervisors' remuneration amounting to \$874 thousand. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during current year. If the actual distribution amount in the following year differs from the estimated amount, the difference will be accounted for as a change in accounting estimates and recognized as the profit or loss in the following year. Furthermore, the distribution of employee remuneration will be resolved by the Board of Directors in the form of cash or shares; if the later is being appropriated, the number of shares will be calculated based on the closing price of the day before the Board resolution.

No remunerations to employees, as well as directors and supervisors, were accrued in 2023 due to the pre-tax loss incurred by the Company.

(q) Non-operating income and expenses

(i) Interest income

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

	<b>2024</b>	<b>2023</b>
Interest income from bank deposits	\$ <u><u>2,568</u></u>	<u><u>4,728</u></u>

(ii) Other gains and losses

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

	<b>2024</b>	<b>2023</b>
Gains on disposals of investments	\$ -	935
Other gains	9,765	10,867
Impairment loss	<u>(5,761)</u>	<u>-</u>
	<u><u>\$ 4,004</u></u>	<u><u>11,802</u></u>

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(iii) Finance costs

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

	<u>2024</u>	<u>2023</u>
Interest expense	<u>\$ (9,620)</u>	<u>(8,201)</u>

(r) Financial instruments

(i) Credit risk

1) Concentration of credit risk

The sales of Group is significantly concentrated in a few customers. As of December 31, 2024 and 2023 86.34% and 79.80% respectively, of accounts receivable were two major customers.

2) Credit risks of receivables and debt securities

For details on credit risk of notes and accounts receivable and other receivables arising from operation, please refer to note 6(b) and (c). All of these financial assets are considered to be low risk, and thus the impairment provision recognized during the period was limited to 12 months expected losses. (Please refer to Note 4(g) on how the Group determines whether credit risk is to be low risk).

(ii) Liquidity risk

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

	<u>Carrying amounts</u>	<u>Contractual Cash flows</u>	<u>Paid on request or less than 6 month</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>over 5 year</u>
<b>December 31, 2024</b>							
Non-derivative financial liabilities							
Short-term borrowings	\$ 101,205	101,744	101,744	-	-	-	-
Accounts payable	184,196	184,196	184,196	-	-	-	-
Lease liabilities	64,414	71,418	7,110	6,359	21,209	17,876	18,864
Other accounts payable	37,488	37,488	37,488	-	-	-	-
Long-term borrowings (including current portion)	<u>268,677</u>	<u>297,543</u>	<u>15,909</u>	<u>23,372</u>	<u>49,063</u>	<u>88,181</u>	<u>121,018</u>
	<u>\$ 655,980</u>	<u>692,389</u>	<u>346,447</u>	<u>29,731</u>	<u>70,272</u>	<u>106,057</u>	<u>139,882</u>

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		<b>Carrying amounts</b>	<b>Contractual Cash flows</b>	<b>Paid on request or less than 6 month</b>	<b>6-12 months</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>over 5 year</b>
<b>December 31, 2023</b>								
Non-derivative financial liabilities								
Short-term borrowings	\$	48,352	48,722	48,722	-	-	-	-
Lease liabilities		38,975	44,580	6,467	3,036	4,328	9,109	21,640
Accounts payable		108,230	108,230	108,230	-	-	-	-
Other accounts payable		45,953	45,953	45,953	-	-	-	-
Long-term borrowings (including current portion)		<u>264,527</u>	<u>298,265</u>	<u>12,122</u>	<u>14,894</u>	<u>32,354</u>	<u>90,973</u>	<u>147,922</u>
	\$	<u><b>506,037</b></u>	<u><b>545,750</b></u>	<u><b>221,494</b></u>	<u><b>17,930</b></u>	<u><b>36,682</b></u>	<u><b>100,082</b></u>	<u><b>169,562</b></u>

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

(iii) Currency risk

1) Currency risk

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

<b>December 31, 2024</b>				<b>December 31, 2023</b>			
	<b>Foreign currency</b>	<b>Exchange rate</b>	<b>TWD</b>		<b>Foreign currency</b>	<b>Exchange rate</b>	<b>TWD</b>
<u>Financial assets</u>							
<b>Monetary items</b>							
USD	\$	11,807 USD/TWD=	32.7850	387,092	12,717 USD/TWD=	30.705	390,475
USD		10,049 USD/CNY=	7.1884	329,456	8,788 USD/CNY=	7.083	269,836
<u>Financial liabilities</u>							
<b>Monetary items</b>							
USD		4,689 USD/TWD=	32.7850	153,729	4,324 USD/TWD=	30.705	132,768
USD		7,618 USD/CNY=	7.1884	249,756	5,927 USD/CNY=	7.083	181,989

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the foreign currency exchange gains and losses resulted from the translation of cash and cash equivalents, trade receivables, other receivables, trade payables and other payables which are denominated in foreign currencies.

A strengthening (weakening) of 1% of the NTD against the USD at December 31, 2024, would have increased or decreased the profit before tax by \$3,131 thousand and \$3,456 thousand for the years ended December 31, 2024 and 2023, respectively. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

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3) Foreign exchange gains and losses on monetary items

As the Group deal in diverse foreign currencies, gains and losses on foreign exchange were summarized as a single amount. The Group aggregate of realized and unrealized foreign exchange gain (loss) for the years ended December 31, 2024 and 2023 were \$16,613 thousand and \$914 thousand, respectively.

(iv) Interest rate analysis

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

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and nonderivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate increases or decreases by 1% the Group's profit before tax will decrease/increase by \$1,011 thousand and \$45 thousand for the years ended December 31, 2024 and 2023, respectively, assuming all other variable factors remain constant. This is mainly due to the Group's borrowings and loans at variable rate and the risk exposure of cash flow interest rate risks for receivables.

(v) Fair value of financial instruments

The Group's management considers its financial assets and financial liabilities measured at amortized cost to be the approximation of the fair value.

For the Group's financial assets and liabilities including cash and cash equivalents, account receivables, account payables and other financial liabilities, their carrying amount is reasonably close to the fair value, disclosure of fair value information is not required.

(s) Financial risk management

(i) Overview

The Group has exposure to the following risks from its financial instruments

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

The following likewise discusses the Group's exposure information, objectives, policies and processes for measuring and managing the above mentioned risks For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

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**Notes to the Consolidated Financial Statements**

(ii) Structure of risk management

The Group's finance management department provides business services for the overall internal department. It monitor and manage financial risks of the the Group's business operation through internal risk report, which analyze the exposure according to risk levels and scopes. The Group these risks by natural hedging through timely adjust its foreign currency assets and liabilities position. The Board of Directors regulated the use of derivative financial instruments in accordance with the Group's policy about risks arising from financial instruments such as currency risk, interest rate risk, credit risk, the use of derivative and nonderivative financial instruments and the investments of excess liquidity. The internal auditors of the Company continue with the review of the amount of the risk exposure in accordance with the Company's policies and the risk management policies and procedures. The Group has no transactions in financial instruments (including derivative financial instruments) for the purpose of speculation. The business and finance departments submit quarterly financial and business reports to the Board of Directors of the Group in accordance with the procedure of the board meetings.

(iii) Credit risk

Credit risk means the potential loss of the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt Category and name of security.

1) Accounts and other receivables

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered.

2) Investments

The credit risk exposure in the bank deposits and other financial instruments are measured and monitored by the Group's finance department. Since The Group's transaction counterparties and the contractually obligated counterparties are banks, financial institutes and corporate organizations with good credits, there are no compliance issues, and therefore, no significant credit risk.

3) Guarantees

The Group's policy is to provide financial guarantees only to wholly owned subsidiaries for purchasing and financing amount. As of December 31, 2024 and 2023, no other guarantees were outstanding.

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**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(iv) Liquidity risk

The Group manages and maintains sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group's management supervises the banking facilities and ensures compliance with the terms of loan agreements. Bank borrowing is an essential liquidity source for the Group. As of December 31, 2024 and 2023, the Group's unused credit line were \$263,327 thousand and \$261,880 thousand, respectively.

(v) Market risk

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

The Group buys and sells derivatives in order to reduce market risks. All such transactions are carried out within the guidelines set by the Risk Management Committee.

1) Currency risk

The Group is exposed to currency risk on sales and purchases and borrowings that are denominated in a currency other than the functional currency of the Group's respective entity. The respective functional currencies of The Group's entities are primarily the NTD, USD and RMB. These transactions are denominated into the presentation (NTD), US dollar (USD) and RMB dollar (CNY).

2) Interest risk

The Group borrows funds on fixed and variable interest rates, which has a risk exposure to changes in fair value and cash flow. The Group manages the interest rates risk by maintaining an adequate combination of fixed and variable interest rates.

(t) Capital management

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

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

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

(Continued)

**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

The Group's debt-to-equity ratio at the end of the reporting period as at 2024 and 2023, were as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Total liabilities	\$ 731,735	638,951
Less: Cash and cash equivalents	(215,711)	(319,187)
Net liabilities	<u>\$ 516,024</u>	<u>319,764</u>
Total equity	<u>\$ 820,476</u>	<u>791,808</u>
Debt-to-equity ratio	<b>62.89 %</b>	<b>40.38 %</b>

(u) Financing activities not affecting current cash flow

The Group's the investing and financing activities which did not affect the current cash flow in the years ended December 31, 2024 and 2023, were as follows:

Please refer to note 6(f) for a description of acquisition of right-of-use assets through leases.

	<b>January 1, 2024</b>	<b>Cash Flow</b>	<b>Non-Cash changes</b>	<b>December 31, 2024</b>
Short-term borrowings	\$ 48,352	50,347	2,506	101,205
Long-term borrowings (including current portion)	264,527	4,150	-	268,677
Lease liabilities	38,975	(13,894)	39,333	64,414
Total liabilities from financing activities	<u>\$ 351,854</u>	<u>40,603</u>	<u>41,839</u>	<u>434,296</u>

  

	<b>January 1, 2023</b>	<b>Cash Flows</b>	<b>Changes in lease payments</b>	<b>December 31, 2024</b>
Short-term borrowings	\$ 94,603	(45,566)	(685)	48,352
Long-term borrowings (including current portion)	219,589	44,938	-	264,527
Lease liabilities	38,657	(12,191)	12,509	38,975
Total liabilities from financing activities	<u>\$ 352,849</u>	<u>(12,819)</u>	<u>11,824</u>	<u>351,854</u>

(v) Net cash outflows from acquisition of property, plant and equipment 25

	<b>2024</b>	<b>2023</b>
Addition	\$ 42,145	16,527
Add: Payable at beginning	2,689	11,960
Less: Ending balance of payables	(8,144)	(2,689)
Total	<u>\$ 36,690</u>	<u>25,798</u>

(Continued)

**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(7) Related-party transactions**

(a) Names and relationship with related parties

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

<u>Name of related party</u>	<u>Relationship with the Group</u>
Wei Liangquan	Key management personnel of the Group

(b) Significant transactions with related parties

(i) Guarantee

As of December 31, 2023, the chairman of the Group, Wei Liangquan, have issued a promissory notes amounting to \$22,250 thousand for the guarantee of acquiring SUBTLE ELECTRONIC.

As of December 31, 2024 and 2023, the Group's bank loans amounted to \$215,924 thousand and \$220,840 thousand, respectively were guaranteed by the Chairman of the Group, Wei Liangquan.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 17,927	17,943
Post-employment benefits	418	1,015
	<u>\$ 18,345</u>	<u>18,958</u>

(d)

**(8) Pledged assets:**

The carrying values of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts receivable	Short-term bank loans	\$ <u>56,784</u>	<u>-</u>
Property, plant and equipment			
Land	Long-term bank loans	\$ 25,980	25,980
Machinery and Equipment	Long-term bank loans	252,871	281,597
Buildings and Construction	Long-term bank loans	10,324	11,096
Buildings and Construction	Short-term bank loans	56,092	56,596
		<u>\$ 345,267</u>	<u>375,269</u>
Cash in banks (recognized in other current asset)	Long-term bank loans	\$ <u>7,922</u>	<u>5,642</u>

(Continued)

**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(9) Commitments and contingencies:**

Major commitments were as follows:

The Group's unrecognized contractual commitments were as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Acquisition of property, plant and equipment	\$ -	<u>4,361</u>
Inventories - Construction in progress-power plants	\$ <u>18,367</u>	<u>16,659</u>

The Group has entered into several contracts with Taiwan Power Company for the purchase and sale of electricity, all of which are terminated on the expiry date of 20 years after the date of the first parallel of power generators. The Group shall not transfer electricity generated by the renewable energy system to other persons for usage, except for the purpose of electricity sales as applied with Taiwan Power Company in accordance with the regulations.

**(10) Losses Due to Major Disasters:None**

**(11) Subsequent Events:None**

**(12) Other:**

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

	<b>For the year ended December 31</b>					
	<b>2024</b>			<b>2023</b>		
	<b>Cost of Sale</b>	<b>Operating Expense</b>	<b>Total</b>	<b>Cost of Sale</b>	<b>Operating Expense</b>	<b>Total</b>
<b>By item</b>						
Employee benefits						
Salary	116,866	52,223	169,089	103,155	47,332	150,487
Labor and health insurance	10,257	4,352	14,609	10,337	4,148	14,485
Pension	12,070	1,995	14,065	10,744	2,223	12,967
Others	-	2,260	2,260	-	2,368	2,368
Depreciation	10,732	2,880	13,612	9,212	2,271	11,483
Depletion	51,290	5,615	56,905	48,656	4,639	53,295
Amortization	-	5,700	5,700	-	6,323	6,323

(Continued)

## JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

#### (13) Other disclosures:

##### (a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

##### (i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	The Company	Gou ZhiElectronic	Other receivables duefrom -related parties	Yes	80,000	-	-	3%	1	244,391		-		-	327,044	327,044
0	The Company	Huai An JhenVei ElectronicCo., Ltd.	Other receivables duefrom -related parties	Yes	18,180	17,912	-	3%	2	-	Operating capital	-		-	327,044	327,044
0	The Company	Gou ZhiElectronic	Other receivables duefrom -related parties	Yes	60,000	60,000	60,000	3%	1	193,836		-		-	327,044	327,044
1	Jhen Vei Enterprise Co., Ltd	Huai An JhenVei ElectronicCo., Ltd.	Other receivables duefrom -related parties	Yes	15,790	-	-	2.7%	2	-	Operating capital	-	-	-	317,063	317,063
1	Jhen Vei Enterprise Co., Ltd	Huai An JhenVei ElectronicCo., Ltd.	Other receivables duefrom -related parties	Yes	6,400	-	-	3%	2	-	Operating capital	-	-	-	317,063	317,063
1	Jhen Vei Enterprise Co., Ltd	Huai An JhenVei ElectronicCo., Ltd.	Other receivables duefrom -related parties	Yes	16,273	-	-	3%	2	-	Operating capital	-	-	-	317,063	317,063
1	Jhen Vei Enterprise Co., Ltd	Huai An JhenVei ElectronicCo., Ltd.	Other receivables duefrom -related parties	Yes	4,882	-	-	3%	2	-	Operating capital	-	-	-	317,063	317,063
1	Jhen Vei Enterprise Co., Ltd	Huai An JhenVei ElectronicCo., Ltd.	Other receivables duefrom -related parties	Yes	11,492	11,475	11,475	3%	2	-	Operating capital	-		-	317,063	317,063
1	Jhen Vei Enterprise Co., Ltd	Huai An JhenVei ElectronicCo., Ltd.	Other receivables duefrom -related parties	Yes	16,418	16,393	16,393	3%	2	-	Operating capital	-		-	317,063	317,063
1	Jhen Vei Enterprise Co., Ltd	Huai An JhenVei ElectronicCo., Ltd.	Other receivables duefrom -related parties	Yes	6,567	6,557	6,557	3%	2	-	Operating capital	-		-	317,063	317,063
1	Jhen Vei Enterprise Co., Ltd	Huai An JhenVei ElectronicCo., Ltd.	Other receivables duefrom -related parties	Yes	16,418	16,393	16,393	3%	2	-	Operating capital	-		-	317,063	317,063
1	Jhen Vei Enterprise Co., Ltd	Huai An JhenVei ElectronicCo., Ltd.	Other receivables duefrom -related parties	Yes	4,925	4,918	4,918	3%	2	-	Operating capital	-		-	317,063	317,063
2	Pors Wiring Co., Ltd	Huai An JhenVei ElectronicCo., Ltd.	Other receivables duefrom -related parties	Yes	16,273	-	-	3%	2	-	Operating capital	-	-	-	85,063	85,063
2	Pors Wiring Co., Ltd	Huai An JhenVei ElectronicCo., Ltd.	Other receivables duefrom -related parties	Yes	16,273	-	-	3%	2	-	Operating capital	-	-	-	85,063	85,063
2	Pors Wiring Co., Ltd	Huai An JhenVei ElectronicCo., Ltd.	Other receivables duefrom -related parties	Yes	9,851	-	-	3%	2	-	Operating capital	-	-	-	85,063	85,063
2	Pors Wiring Co., Ltd	Huai An JhenVei ElectronicCo., Ltd.	Other receivables duefrom -related parties	Yes	16,418	-	-	3%	2	-	Operating capital	-	-	-	85,063	85,063
2	Pors Wiring Co., Ltd	Huai An JhenVei ElectronicCo., Ltd.	Other receivables duefrom -related parties	Yes	15,353	-	-	2.7%	2	-	Operating capital	-	-	-	85,063	85,063
2	Pors Wiring Co., Ltd	Huai An JhenVei ElectronicCo., Ltd.	Other receivables duefrom -related parties	Yes	16,418	16,393	16,393	3%	2	-	Operating capital	-		-	85,063	85,063

(Continued)

## JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
2	Pors Wiring Co., Ltd	Huai An JhenVei ElectronicCo., Ltd.	Other receivables duefrom -related parties	Yes	16,418	16,393	16,393	3%	2	-	Operating capital	-		-	85,063	85,063
2	Pors Wiring Co.,Ltd	Huai An JhenVei ElectronicCo., Ltd.	Other receivables duefrom -related parties	Yes	26,228	26,228	26,228	3%	2	-	Operating capital	-		-	85,063	85,063
3	Jhen VeiInvestment Limited	Huai An JhenVei ElectronicCo., Ltd.	Other receivables duefrom -related parties	Yes	16,418	-	-	0%	2	-	Operating capital	-		-	26,555	26,555
3	Jhen VeiInvestment Limited	Huai An JhenVei ElectronicCo., Ltd.	Other receivables duefrom -related parties	Yes	9,851	-	-	0%	2	-	Operating capital	-		-	26,555	26,555
3	Jhen VeiInvestment Limited	Huai An JhenVei ElectronicCo., Ltd.	Other receivables duefrom -related parties	Yes	26,228	26,228	26,228	0%	2	-	Operating capital	-		-	26,555	26,555

Note 1: For capital financing, except for the Company holds more than 100% of voting shares in the foreign entity, directly and indirectly, Total financing amount for a single company by the Company and its subsidiaries shall not exceed 40 percent of the Company's net worth as stated in its latest financial report. For capital financing, except for the Company holds more than 100% of voting shares in the foreign entity, directly and indirectly. Total financing amount for a single company shall not exceed 100% of the paid-in capital as stated in the latest financial report.

Note 2: For capital financing, except for the Company holds more than 100% of voting shares in the foreign entity, directly and indirectly, Total financing amount for external entity by the Company and its subsidiaries shall not exceed 40 percent of the Company's net worth as stated in its latest financial report. For capital financing, except for the Company holds more than 100% of voting shares in the foreign entity, directly and indirectly. Total financing amount for external entity shall not exceed 100% of the paid-in capital as stated in the latest financial report.

Note 3 : Purpose of fund financing for the borrower:

- (1) Those with business contact please fill in 1
- (2) Those necessary for short-term financing please fill in 2.

Note 4: The transaction has already been written off in the consolidated financial statements.

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	Huai An Jhen Vei	2	654,090	78,523	-	-	-	- %	654,090	Y	N	Y
0	The Company	Huai An Jhen Vei	2	654,090	79,538	78,365	8,956	-	9.58 %	654,090	Y	N	Y
0	The Company	Gou Zhi Electronic	2	654,090	80,000	-	-	-	- %	654,090	Y	N	N
0	The Company	Gou Zhi Electronic	2	654,090	30,000	-	-	-	- %	654,090	Y	N	N

Note 1: In accordance to the “endorsement and guarantees operational procedure” of the Company, The total amount of the guarantees and endorsements by the Company and its subsidiaries for a company shall not exceed 80% of the Company's net worth. An inter-subsidiary endorsement and guarantee of which the Company directly holds more than 90% of the ordinary shares of the subsidiary, shall not exceed 10% of the current net worth. A company in which the Company holds, directly or indirectly, 100% or more of the voting shares, is excluded.

Note 2: In accordance to the “endorsement and guarantees operational procedure” of the Company, the total endorsement and guarantee by the Company shall not exceed 100% of the Company's net worth.

Note 3: The relationship between the endorser/guarantor and the guaranteed party:

- 1) Trading counterparty
- 2) The Company holds more than 50% of the voting shares in the entity, directly and indirectly.
- 3) The entity holds more than 50% of voting shares in the Company, directly and indirectly.
- 4) The Company holds more than 90% of voting shares in the entity, directly and indirectly.
- 5) The stockholders of the Company provide guarantees or endorsements for the entity in proportion to percentage of ownership for joint investment.
- 6) Fulfillment of contractual obligations by providing mutual endorsements and guarantees for peer or joint builders in order to undertake a construction project.
- 7) The companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for preconstruction homes pursuant to the Consumer Protection Act for each other.

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## JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

- (iii) Securities held as of December 31, 2024 (excluding investment in subsidiaries, associates and joint ventures): None
- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
JHEN VEIELECTRONIC CO.,LTD.	Huai An Jhen Vei Electronic Co., Ltd.	The Company	Purchase	373,734	89.28%	O/A 90 days	-		(144,509)	(92.39)%	
Huai An Jhen Vei Electronic Co., Ltd.	JHEN VEIELECTRONIC CO.,LTD.	Sub-subsidiary	Sale	(373,734)	(49.00)%	O/A 90 days	-		(144,509)	38.69%	

Note: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

- (viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
Huai An Jhen Vei Electronic Co., Ltd.	The Company	Sub-subsidiary	144,509	1.78	-		74,481	-

Note: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

- (ix) Trading in derivative instruments: None,
- (x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	Huai An Jhen Vei Electronic Co., Ltd.	1	Other receivables	98,062	O/A 30 days	6.31%
0	The Company	Huai An Jhen Vei Electronic Co., Ltd.	1	Purchase	373,734	O/A 90 days	34.04%
0	The Company	Huai An Jhen Vei Electronic Co., Ltd.	1	Accounts payable-related parties	144,509	O/A 90 days	9.30%
0	The Company	Gou Zhi Electronic	1	Accounts payable-related parties	612	O/A 90 days	0.04%
0	The Company	Gou Zhi Electronic	1	Other receivables	60,861	O/A 90 days	3.92%
1	Pors Wiring Co.,Ltd	Huai An Jhen Vei Electronic Co., Ltd.	3	Other receivables	59,575	According to the contract	3.83%
2	Jhen Vei Investment Limited	Huai An Jhen Vei Electronic Co., Ltd.	3	Other receivables	26,228	According to the contract	1.69%
3	Jhen Vei Enterprise Co.,Ltd	Huai An Jhen Vei Electronic Co., Ltd.	3	Other receivables	56,941	According to the contract	3.66%

Note 1: Numbers are filled in as follows:

1. "0" represents the Company
2. The subsidiaries start with number 1.

Note 2: Relationship with the listed companies:

1. Transactions from parent Company to subsidiary.
2. Transactions from subsidiary to parent Company.
3. Transactions between subsidiaries.

(Continued)

## JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2024 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2024			Highest Percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2024	December 31, 2023	Shares (thousands)	Percentage of ownership	Carrying value				
The Company	Jhen Vei Enterprise Co., Ltd	The British Virgin Islands	Manufacturing and sales of various types of signal cables and investment holding	352,091	352,091	48,355	100.00 %	175,805	100.00 %	34,331	33,539	Note 1
The Company	Pors Wiring Co., Ltd	The British Virgin Islands	Investment holding	98,373	98,373	48,048	100.00 %	70,166	100.00 %	1,689	1,689	Note 1
The Company	Priceplay.com Inc	United States	IC and software design	27,187	27,187	45,000	30.00 %	-	30.00 %	-	-	Note 2
The Company	Hua Yin Energy	Taiwan	Power generation for self-use using renewable energy		100,000	-	- %	-	- %	4,437	4,437	Note 4
The Company	Gou Zhi Electronic	Taiwan	After processing of electronic components	199,927	199,927	20,000,000	100.00 %	96,347	- %	(23,260)	(23,260)	Note 1
Jhen Vei Enterprise Co., Ltd	Jhen Vei Investment Limited	Belize	Investment holding	26,244	26,244	810,000	100.00 %	29,337	100.00 %	436	436	Note 1
Pors Wiring Co., Ltd	JVE(THAILAND) Co., Ltd.	Thailand	After processing of electronic components	5918		650,000	65.00 %	5,338	65.00 %	(1,413)	(919)	Note 1 and 3

Note 1: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Note 2: It has been assessed that carrying amount has no future economic benefits and was therefore fully recognized in the impairment losses as of June 30, 2016.

Note 3: JVE (Thailand) Co., Ltd. was established on January 2, 2024.

Note 4: Hua Yin Energy Co., Ltd. filed with the regulatory authorities for a simplified merger with the Company, with the base date of the merger set on June 30, 2024. All relevant procedures have been completed.

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2024	Net income (losses) of the investee	Percentage of ownership	Highest percentage of ownership	Investment income (losses)	Book value	Highest Percentage of ownership	Accumulated remittance of earnings in current period
					Outflow	Inflow								
Huai An Jhen Vei Electronic Co., Ltd.	Manufacturing and sales of various types of signal cables	229,495 (USD 7,000 thousand)	( 2 )	229,495 (USD 7,000 thousand)	-	-	229,495 (USD 7,000 thousand)	31,438	100.00%	100.00%	31,438 (RMB 7,058 thousand)	87,446 (RMB 19,173 thousand)	-	-

Note 1: There are three ways to invest in China:

- (1) Direct investment in the Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
- (3) Others.

Note 2: The financial report of the investee is audited financial report and is calculated by shareholding of the Company.

Note 3: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2024 (note 1, 2)	Investment Amounts Authorized by Investment Commission, MOEA (note 1)	Upper Limit on Investment (note 1)
306,441 (USD 9,347 thousand)	342,767 (USD 10,455 thousand)	490,567

Note 1: Except that the recognized investment losses for the period were calculated at the average exchange rate from January 1, 2024 to December 31, 2024 and the remittance of surplus was calculated at the historical exchange rate, the balance was calculated at the closing exchange rate as of December 31, 2024.

Note 2: The difference is due to the disposal of equity interest in Xinfeng Zhenwei Electronics Co., Ltd.. The return of investment amounting to USD 600 thousand was fully remitted to Jhen Vei Enterprise Co., Ltd. Zhenwei Electronics (Wujiang) Co., Ltd. is liquidated and return investment amounting to \$963 thousand and Zhenwei Electronics (Shenzhen) Co., Ltd. is liquidated and its loss on investment amounting to USD 1,000 thousand.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in Note 13(a) "Information on significant transactions".

(Continued)

(d) Major shareholders:None

Shareholder's Name	Shareholding	Shares	Percentage
Yongding Investment Co., Ltd.		10,374,629	15.06 %
Huatai Management Consulting Co., Ltd.		6,359,230	9.23 %

Note: 1) Information about the substantial shareholders of this form is provided by the General Insurance Company on the last business day of each quarter. The total number of ordinary shares and special shares in which the calculation of shareholders' holding company has completed the unincorporated delivery (including treasury shares) is more than 5%. As to the number of shares recorded in the Company's financial reports that are not physically registered as delivered by the Company, the basis of the calculation may varies or be different.

2) The above information, in the case of a shareholder's delivery of shares to a trust, is disclosed by the individual sub-account of the principal who opened the trust in favor of the trustee. As to the declaration of the shareholders' shareholding of an insider in excess of 10% by virtue of the Securities Trading Act, the shareholding of the shareholders includes the addition of the shares of the shareholders in trust and the application of the right of decision in respect of the trust property, and so on. For information on the declaration of the rights of the insider, please refer to the Public Information Observatory.

#### (14) Segment information:

(a) Reportable segment profit or loss, segment assets, segment liabilities, and their measurement andreconciliations

Reportable segment profit or loss is based on operating profit or loss before taxation, and as the base of performance evaluation. The segments' accounting policy are same note 4.

The Group's operating segment information and the reconciliations were as follows:

2024				
	Electronics Component Department	After Processing of Electronics Component Segment	Energy Segment	Total
Revenue:				
Revenue from external customers	\$ 793,764	206,428	97,602	1,097,794
Intersegment revenues	-	-	-	-
<b>Total revenue</b>	<b>\$ 793,764</b>	<b>206,428</b>	<b>97,602</b>	<b>1,097,794</b>
<b>Profit (loss) of reportable segments</b>	<b>\$ 17,039</b>	<b>(17,481)</b>	<b>18,210</b>	<b>17,768</b>
2023				
	Electronics Component Department	After Processing of Electronics Component Segment	Energy Segment	Total
Revenue:				
Revenue from external customers	\$ 536,701	230,001	69,624	836,326
Intersegment revenues	-	-	-	-
<b>Total revenue</b>	<b>\$ 536,701</b>	<b>230,001</b>	<b>69,624</b>	<b>836,326</b>
<b>Profit (loss) of reportable segments</b>	<b>\$ 4,329</b>	<b>(26,586)</b>	<b>15,867</b>	<b>(6,390)</b>

(Continued)

**JHEN VEI ELECTRONIC CO., LTD AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(b) Geographic information

In presenting information on the basis of geography(Please refer note6(o)), segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

<u><b>Regions</b></u>	<u><b>2024</b></u>	<u><b>2023</b></u>
Non-Current assets		
Taiwan	\$ 500,737	484,948
China	<u>94,401</u>	<u>88,689</u>
Total	<u><b>\$ 595,138</b></u>	<u><b>573,637</b></u>

Noncurrent assets include property, plant and equipment, rightofuse assets and other noncurrent assets, excluding financial instruments, deferred tax assets, pension fund assets, and rights arising from an insurance contract (noncurrent).

(c) Major customer information

Customers accounting for more than 10% of the consolidated income statement revenue for the fiscal years 2024 and 2023.

	<u><b>2024</b></u>	<u><b>2023</b></u>
Customer A	\$ 378,592	288,471
Customer B	<u>372,579</u>	<u>209,183</u>
	<u><b>\$ 751,171</b></u>	<u><b>497,654</b></u>