

JPC connectivity Inc.

2025 Annual Shareholders' Meeting Minutes

Date: 9:00 a.m. on May 27 (Tuesday), 2025

Place: RSL Hotel Taipei Zhonghe

3F, No. 631, Zhongzheng Rd., Zhonghe Dist., New Taipei City

Number of shares Total outstanding shares: 122,085,882 shares.

present: Total shares with voting rights: 122,085,882 shares.

Total shares represented by shareholders present in person or by proxy:
70,281,602 shares (of which 13,856,518 shares casted the votes
electronically) with an attendance rate of 57.56 %.

Directors present: Chairman Shu-Mei Chang, Vice Chairman Cin-Chih Jiang, Ming-Kung Yang, Ming-Hsiang Cheng, Jing-Hua He, Chih-Feng Lin, Shu-Ling Wang.

Attendees: CPA of PwC Jen-Chieh Wu, Lawyer Chiu-Hua Chen, CFO Chih-Ping Cheng.

Chairperson: Shu-Mei Chang

Recorder: Yu-Syuan Jian

I. The chairperson announced the commencement of the meeting.

II. Chairperson's remarks: omitted.

III. Report items:

Proposal 1 (Proposed by the Board of Directors)

Subject: Report on the 2024 business operating status and 2025 business plan are submitted for review.

Description: Please refer to Appendix I.

Proposal 2 (Proposed by the Board of Directors)

Subject: Review report on the Company's 2024 financial statement issued by the Audit Committee is submitted for review.

Description: Please refer to Appendix II.

Proposal 3 (Proposed by the Board of Directors)

Subject: Report on the distribution of cash dividends from the Company's earnings is submitted for review.

Description: 1. The Company plans to distribute NT\$854,601,174 of cash dividends from earnings to shareholders, that is, it plans to distribute NT\$7.0 per share in cash based on the shareholding ratio specified in the Shareholder Register on dividend distribution record date.
2. Cash will be distributed based on rounded amount (the amount less than NT\$1 will be rounded down), and the chairman is authorized to appoint

a specific person to adjust any amount less than NT\$1.

3. For this proposal, the chairman is authorized to determine the dividend distribution record date and other related matters, and to make any adjustment in case of any change made by the competent authority or in the event of any change in payout ratio due to changes in the number of the Company's outstanding shares.

Proposal 4 (Proposed by the Board of Directors)

Subject: Report on the distribution of 2024 employees' and directors' profit-sharing is submitted for review.

Description: 1. Subject to Article 19 of the Company's Articles of Association, if the Company has profits in a fiscal year, it shall withdraw no less than 7% from the profits as employees' profit-sharing as resolved by the Board of Directors. However, an amount shall be set aside to cover the Company's accumulated losses first.

2. The Company plans to distribute NT\$138,914,340 (10%) of employees' profit-sharing and NT\$5,400,000 of directors' profit-sharing for 2024, and it will be paid fully in cash.
3. There is no difference between the amount to be distributed as approved by the Board of Directors and the estimated amount recognized for the year.

Proposal 5

Subject: Report on the 2024 directors' remuneration is submitted for review.

Description: 1. The Company, in accordance with industry standards, has decided on the remuneration through the Compensation Committee and submitted it for discussion by the Board of Directors.

2. According to Article 16 of the Company's Articles of Association, the Company may provide a fixed remuneration to its directors (including independent directors) while they are performing their duties for the Company.
3. Please refer to Appendix III.

Proposal 6

Subject: Report on the execution status of the Company's third domestic issuance of unsecured convertible bonds is submitted for review.

Description: 1. The Company's third domestic issuance of unsecured convertible bonds was approved by the Financial Supervisory Commission on September 10, 2024, under FSC No. 1130356005, and was officially listed on October 15, 2024.

2. As of March 29, 2025, the issuance and conversion status of the

convertible bonds are as follows:

Bond Name	The Third Domestic Issuance of Unsecured Convertible Bonds of JPC connectivity Inc.
Reason of Issuance	To enhance its competitiveness, the Company is actively investing in new product development and research personnel, as well as upgrading its R&D capabilities, including equipment and software. At the same time, the Company is expanding the machinery and equipment at its subsidiary in North Vietnam to increase production capacity. The fund is also used to repay bank loans to reduce interest expenses, in order to meet the future capital needs for the Company's development.
Total Par Value Issued	One billion New Taiwan Dollars.
Par Value per Bond Issued	One hundred thousand New Taiwan Dollars.
Nominal Annual Interest Rate	0%
Issuance Period	3 years, from October 15, 2024 to October 15, 2027.
Conversion Price	160.00
Conversion Status	No conversion application has been made as of March 29, 2025.

IV. Ratifications:

Proposal 1 (Proposed by the Board of Directors)

Subject: Proposal for approval on the Company's 2024 Financial Statement is submitted for ratification.

Description: 1. The Company's 2024 Financial Statements have been prepared by the Board of Directors, and audited by Jen-Chieh Wu and Ya-Hui Lin, the CPAs at PwC Taiwan, and reviewed by the Audit Committee. Please refer to Appendix IV.

2. Please refer to Appendix I for the Business Report.

3. It is submitted for ratification.

Resolution: Voting results:

Shares represented at the time of voting is 70,281,602 (of which 13,856,518 were casted electronically).

Voting Results	
Votes in favor	69,788,590 votes (including 13,363,506 votes casted electronically)
Votes against	11,816 votes (including 11,816 votes casted electronically)
Votes invalid	0 votes
Votes abstained/uncasted	481,196 votes (including 481,196 votes casted electronically)

This proposal was approved as presented with an approval rate of 99.29%.

Proposal 2 (Proposed by the Board of Directors)

Subject: Proposal for approval on distribution of the Company's 2024 earnings is submitted for ratification.

Description: 1. The Company's 2024 Earnings Distribution Table is as follows:

JPC connectivity Inc. Earnings Distribution Table 2024	
	Unit: NT\$
Item	Amount
Opening undistributed earnings (Note 1)	767,670,750
Adjusted retained earnings of 2024 (Note 2)	52,899,141
Undistributed earnings after adjustment	820,569,891
Add: after-tax net profit of 2024:	1,060,644,464
Less: statutory surplus reserve withdrawn (10%)	(111,354,361)
Add: reversal of special surplus reserve (Note 3)	222,533,270
Earnings available for distribution	1,992,393,264
Less: distribution item	
Cash dividends to shareholders (NT\$7.0 per share) (Note 4)	(854,601,174)
Ending undistributed earnings	1,137,792,090

Chairman:
Shu-Mei Chang

General Manager:
Shu-Mei Chang

Accounting Supervisor:
Chih-Ping Cheng

Note 1: This is the undistributed earnings after distribution of 2023 earnings that was resolved at the 2024 Annual Shareholders' Meeting.

Note 2: The Company's adjusted retained earnings of 2024 are composed of NT\$1,647,369 of the re-measured amount of defined benefit plan and NT\$51,251,772 of the adjusted retained earnings recognized by the Company and its subsidiaries that use the equity method.

Note 3: Subject to the Securities and Exchange Act, special surplus reserve shall be withdrawn from after-tax earnings of the current year and undistributed earnings of previous period, in the amount as the same as that recorded into the amount to be deducted from shareholders' equity of current year (the sum of the exchange difference from translation of the financial statements of overseas operating institutions and the unrealized profits and losses of the financial assets measured at FVTOCI).

Note 4: This is calculated based on the number of the outstanding shares as of the day immediately before the Board of Directors' meeting.

Note 5: As for the principles for the distribution specified in the Company's 2024 Earnings Distribution Table, earnings of the most recent year shall be distributed with priority.

2. It is submitted for ratification.

Resolution: Voting results:

Shares represented at the time of voting is 70,281,602 (of which 13,856,518 were casted electronically).

Voting Results	
Votes in favor	69,814,032 votes (including 13,388,948 votes casted electronically)
Votes against	14,436 votes (including 14,436 votes casted electronically)
Votes invalid	0 votes
Votes abstained/uncasted	453,134 votes (including 453,134 votes casted electronically)

This proposal was approved as presented with an approval rate of 99.33%.

V. Discussions:

Proposal 1 (Proposed by the Board of Directors)

Subject: Proposal for the amendment to the Articles of Association is submitted for discussion.

Description: 1. According to the Financial Supervisory Commission's order No.1130385442 dated November 8, 2024, which amended the Articles of Association and revised the director's travel allowance in alignment with the Company's policy, amendments were made to Article 16, Article 19, and Article 21 of the Articles of Association. Please refer to Appendix V for the comparison table of the revised and original provisions.

Resolution: Voting results:

Shares represented at the time of voting is 70,281,602 (of which 13,856,518 were casted electronically).

Voting Results	
Votes in favor	69,805,299 votes (including 13,380,215 votes casted electronically)
Votes against	22,418 votes (including 22,418 votes casted electronically)
Votes invalid	0 votes
Votes abstained/uncasted	453,885 votes (including 453,885 votes casted electronically)

This proposal was approved as presented with an approval rate of 99.32%.

Proposal 2 (Proposed by the Board of Directors)

Subject: Proposal for the complete re-election of the Company's Board of Directors.

Description: 1. Upon the expiration of the current directors' terms, and in accordance with Article 13 of the Company's Articles of Association and relevant provisions of the Company Act, it is proposed that the re-election of directors be conducted at the 2025 Annual Shareholders' Meeting.

2. According to Article 13 of the Company's Articles of Association, it is proposed to set the number of directors at 7 to 9 (with at least 3

independent directors). For this re-election, 9 directors are proposed (including 4 independent directors), with a term of 3 years, and they may be re-elected. The election will follow a candidate nomination system. Additionally, in accordance with Article 13-2 of the Articles of Association, the Company will establish an Audit Committee, which will be composed of all independent directors.

3. According to Article 13 of the Company's Articles of Association, the number of directors shall be determined through a candidate nomination system. The list of candidates for both directors and independent directors will be reviewed by the Board of Directors to assess the qualifications of the nominees. The qualified candidates will be included in the list of director candidates, from which the new directors will be elected at the Annual Shareholders' Meeting.
4. The term of office for the newly elected directors will be from May 27, 2025, to May 26, 2028, for a duration of three years. The term of office for the current directors and independent directors will end upon the completion of this Annual Shareholders' Meeting.
5. The list of candidates for directors and independent directors has been reviewed and approved by the Board of Directors on February 25, 2025. The relevant information is outlined below:

Candidate Category	Candidate Name	Gender	Educational Background	Professional Experience	Current Position	Number of Shares Held
Director	Shu-Mei Chang	Female	Economics, Tunghai University	General Manager of Taian-Ecobar	Chairman of: <ul style="list-style-type: none"> ● JPC connectivity Inc. ● Tone Investments Ltd. ● Very Mulan Investment Co., Ltd. Representative Director of: <ul style="list-style-type: none"> ● Cha Shin Chi Investment Co., Ltd. ● Main Super Enterprises Co., Ltd. ● Techill Co., Ltd. ● Jyh Eng Technology Co., Ltd. ● Best Link Properties Ltd. ● JPC (HK) Company Ltd. ● Lucky Star Investment Corp. ● Best Match Investments Ltd. ● Best Sky Ltd. ● Hung Fu (Samoa) Int'l Co., Ltd. ● Diamond Creative Holding Ltd. ● SWS Group Co., Ltd. CEO of: <ul style="list-style-type: none"> ● JPCPT Inc. 	18,472,480
Director	Mega Power Investments Limited	-	N/A	Director of JPC connectivity Inc.	Director of JPC connectivity Inc.	2,295,750
Director	Top Point Investment Ltd.	-	N/A	Director of JPC connectivity Inc.	Director of JPC connectivity Inc.	6,144,750
Director	Tone Investments Ltd.	-	N/A	Director of JPC connectivity Inc.	Director of JPC connectivity Inc.	4,500,000
Director	FSP Technology Inc.	-	N/A	Director of JPC connectivity Inc.	Director of JPC connectivity Inc.	10,010,000

Candidate Category	Candidate Name	Gender	Educational Background	Professional Experience	Current Position	Number of Shares Held
Independent Director	Chih-Feng Lin	Male	Master's Degree from National Taiwan University	Former Chief Legal Officer of Taiwan Broadband Communications Consulting Co., Ltd., Vice President of Legal Affairs, New Century InfoComm Tech Co., Ltd., Senior Attorney, Jones Day International Law Firm.	Director of Lin Chih-Feng Law Firm, Senior Law Consultant of EMQ Limited Taiwan Branch, Consultant of Private Tech Co.	0
Independent Director	Shu-Ling Wang	Female	MBA in Finance and Banking from the College of Management, National Taiwan University	Senior Vice President of Delta Electronics, Inc. and CFO of Delta Group, Consultant of Chenbro Micom Co., Ltd., Director of CTBC Bank	Adjunct Expert (Professor), Institute of International Business, College of Management, National Cheng Kung University, Independent Director of AVerMedia Technologies, Inc., Director of Snail Travel Village Co., Ltd, Independent Director of United Microelectronics Corp.	0

Candidate Category	Candidate Name	Gender	Educational Background	Professional Experience	Current Position	Number of Shares Held
Independent Director	Wei-Chu Hsu	Male	Ph.D. in Economics from the University of Southern Illinois	Professor of the Department of Accounting at Chinese Culture University, Director of the Department of Finance and the Graduate Institute of Finance at National Chengchi University, Dean of the School of Business at Zhuhai College of Hong Kong, Chairman of the Chinese Fiscal Association, Member of the Economic Innovation Commission (Taxation Group), Chairperson of the First Group of the Tax Reform Committee of the Ministry of Finance, Member of the Tax Reform Task Force of the Ministry of Finance, Member of the Fiscal Reform Commission	Adjunct Professor of the Department of Accounting at Chinese Culture University, Chairman of the Chinese Fiscal Association (Taipei), Supervisor of the Board of Trustees at Taipei Medical University, Chairman of the Chinese Taxation Research Association (Taipei), Independent Director of H.H. Galaxy Co., Ltd., Independent Director of Chang Hwa Bank (Nanjing, China).	0
Independent Director	Yen-Ping Chi	Male	Ph.D. in Information Systems Management from the University of Maryland	Chairperson of the Department of Information Management and Director of the Graduate Institute of Information Management at National Central University, Executive Director of the EMBA Program at National Chengchi University	Independent Executive Director of Sunny Bank, Independent Director of Rossmax International Ltd.	0

6. It is submitted for election.

Election result: The list of the elected members for the 12th term of Board of Directors (including Independent Directors) is as follows:

Title	Account No. or National ID No.	Account Name	Number of votes received
Director	1	Shu-Mei Chang	78,587,653
Director	53851	Mega Power Investments Limited	68,895,091
Director	84630	Top Point Investment Ltd.	68,863,355
Director	123	Tone Investments Ltd.	68,837,429
Director	128726	FSP Technology Inc.	68,268,243
Independent Director	A1212*****	Chih-Feng Lin	67,928,377
Independent Director	A2229*****	Shu-Ling Wang	67,828,557
Independent Director	A1276*****	Wei-Chu Hsu	67,781,768
Independent Director	A1008*****	Yen-Ping Chi	67,754,980

Proposal 3 (Proposed by the Board of Directors)

Subject: Proposal to lift the non-compete clause on the Company's new directors and their representatives is submitted for discussion.

Description: 1. In accordance with Article 209 of the Company Act, "Directors must explain the essential details of any actions they take on behalf of themselves or others within the scope of the company's business operations and obtain approval from the shareholders' meeting."

2. As some directors of the Company may have investments or are involved in the management of other companies that operate within the same or similar business scope as the Company, and also serve as directors, it is hereby proposed to seek approval from the shareholders' meeting that if any newly appointed directors of the Company have such circumstances, the restrictions on competitive conduct for the directors and their representatives are lifted.

3. It is proposed to lift the restrictions on competitive conduct for directors and corporate director representatives, with the following details:

Title	Name	Current part-time positions (regarding competitive activities)
Director	Shu-Mei Chang	Chairman of Tone Investments Ltd. Corporate Director Representative of Techill Co., Ltd. Director of SWS Group Co., Ltd. Corporate Director Representative of Jyh Eng Technology Co., Ltd.
Independent Director	Chih-Feng Lin	Senior Consultant at the Taiwan Branch of EMQ Ltd. Consultant of Private Tech Co.
Independent Director	Shu-Ling Wang	Independent Director of AVerMedia Technologies, Inc. Independent Director of United Microelectronics Corp. General Manager of Mayo Human Capital Inc.
Independent Director	Wei-Chu Hsu	Independent Director of H.H. Galaxy Co., Ltd.
Independent Director	Yen-Ping Chi	Independent Executive Director of Sunny Bank

Resolution: Voting results:

Shares represented at the time of voting is 70,281,602 (of which 13,856,518 were casted electronically).

Voting Results	
Votes in favor	69,709,067 votes (including 13,283,983 votes casted electronically)
Votes against	88,350 votes (including 88,350 votes casted electronically)
Votes invalid	0 votes
Votes abstained/uncasted	484,185 votes (including 484,185 votes casted electronically)

This proposal was approved as presented with an approval rate of 99.18%.

VI. Extempore Motion: None.

VII. Adjournment: The meeting was adjourned at 9:38 a.m. on the same day.

There was no question raised by shareholders during the meeting.

(The minutes of this shareholder's meeting only summarize the key points of the proceedings; for complete details, please refer to the audio and video recordings of the meeting.)

Business Report

I. 2024 Business Operating Results

(I) Implementation result of business plan:

For 2024, the Company's consolidated revenue was NT\$6,765,078 thousand, the consolidated operating profit was NT\$1,203,828 thousand, and the after-tax net profit attributable to the owners of parent company was NT\$1,060,644 thousand.

(II) Implementation status of budget:

The Company had not announced its financial forecast for 2024.

(III) Analysis of financial income, expenditure and profitability:

1. Analysis of financial income and expenditure:

Driven by the surging demand for AI server applications, the Company's revenue from the Data Center/Networking/Telecom segment in 2024 experienced significant growth compared to 2023. The Smart Connection Industry segment also sustained robust momentum through continuous expansion of our client base and optimization of our product portfolio. Furthermore, the performance of our subsidiaries, JPCPT Inc. and ASTRON Connectivity CO., LTD., yielded notable results, contributing to the ongoing growth in both overall revenue and profitability this year.

Unit: NT\$ thousand

Item	2024	2023	Variance	+(-)%
Revenue	6,765,078	4,962,135	1,802,943	36.33%
Gross profit	2,242,340	1,436,531	805,809	56.09%
Gross profit margin	33%	29%	4%	-
Operating profit	1,203,828	641,210	562,618	87.74%
Profit before income tax	1,410,706	810,411	600,295	74.07%
Profit for the year	1,140,009	660,319	479,690	72.65%
Profit attributable to owners of the parent company	1,060,644	635,395	425,249	66.93%

2. Analysis of profitability:

Item		2024	2023
Return on assets (%)		17.92	13.48
Return on equity (%)		27.94	19.28
Ratio in paid-in capital (%)	Operating profit	98.60	52.52
	Before-tax net profit	115.55	66.38
Net profit ratio (%)		16.85	12.35
Earnings per Share (Note)		8.69	5.20

Note: It is calculated based on the weighted average number of outstanding shares in the current year after adjustment has been made to the weighted number

of outstanding shares that were increased due to employees' profit-sharing in the previous years, i.e., basic earnings per share.

(IV) R&D Status:

1. Annual R&D expenses invested in the past three years:

Unit: NT\$ thousand

Item/Year	2024	2023	2022
Consolidated net revenue	6,765,078	4,962,135	4,339,428
Consolidated R&D expenses	192,336	163,891	151,244
Ratio of consolidated R&D expenses to consolidated net revenue	3%	3%	3%

2. Overview of 2024 R&D results:

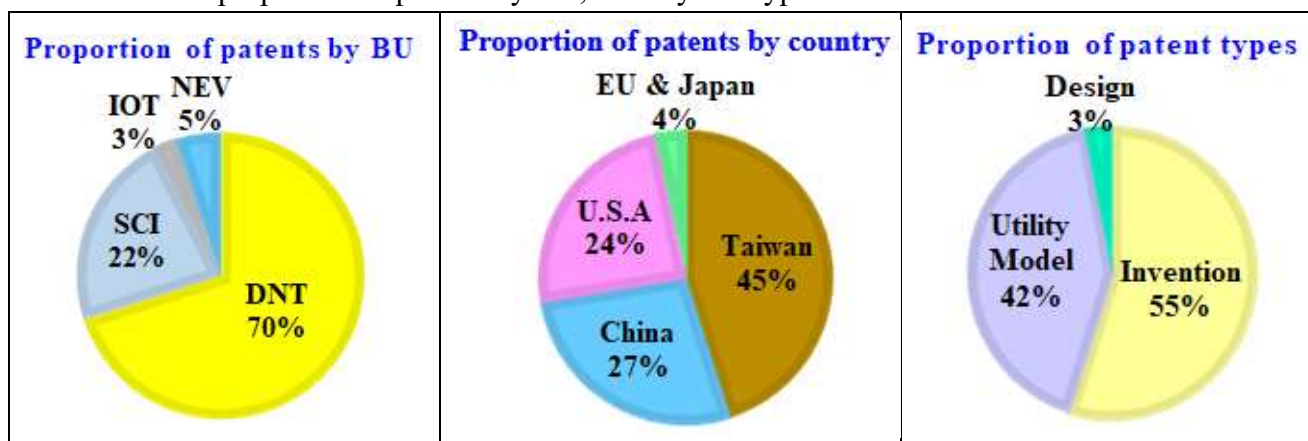
In 2024, our R&D efforts are focused on three major industry sectors, with ongoing investment in the development of high-speed transmission and high-voltage/high-current connectors, wire harnesses, and optical modules. These advancements are being continuously integrated into applications such as AI servers, cloud service providers (CSPs), data center switches, 5G communication, and ISP data centers. Simultaneously, we are expanding into the Internet of Things (IoT) and smart connectivity industries, enhancing the diversity of our product technologies and strengthening our market competitiveness.

R&D Item	Application Domain
Optical communication module (800G/1.6T)	Cloud switches, NIC, DPU
PCIe Gen6 high-speed connectors and cables	AI servers, hyperscale data centers
ORV3 AC Whip Cable, Busbar clip cable and connector, inner busbar	High-performance computing power module
UQD liquid-cooled quick-release connector	Cloud equipment cooling, server thermal management
High-voltage automotive connectors and wire harnesses	EV, agricultural machinery, AMR
IoT Module (sensor/communication)	Smart factory, health, energy-saving applications

3. 2024 patent achievements:

We continue to strengthen our global intellectual property portfolio, with patents covering major markets such as Taiwan, U.S.A., China, Japan, and Europe. As of 2024, our total number of accumulated patents has reached 264, encompassing core areas such as high-speed structures, optics, liquid cooling, and automotive technologies.

The proportion of patents by BU, country and type as of 2024:



II. Overview of 2025 Business Plan

(I) Business policies:

1. Core business:

Focus on technologies such as high-speed connectors, wire harnesses, and optical modules, serving sectors including AI, cloud computing, automotive, and industrial automation.

2. Strengthen international collaborations, customer relationships and deepen the CSP strategy.

3. Global production sites:

JPC has established a comprehensive network of production and sales locations worldwide to enhance supply chain resilience, meet the immediate demands of regional markets, and improve global customer service efficiency.

Major sites:

Region	Site	Function	Through global production strategy and cross-disciplinary R&D integration, JPC will continue to enhance product supply flexibility and customer service responsiveness, solidifying our presence in the global market.
Taiwan	New Taipei City	Headquarter and R&D center	
China	Dongguan Kunshan	Manufacturing base	
Vietnam	North Vietnam South Vietnam	The expansion is completed, increasing production capacity by 30%, and it has officially entered the mass production phase.	
U.S.A.	Milpitas, CA	North America sales and technical support center	

(II) Sales strategies:

Strategic Direction	Key Actions
Deepen engagement with AI and CSP clients	Integrate resources from our U.S. subsidiary, JPCPT Inc., to expand our customer base and product lines in the U.S., Japan, and Europe.
Expand local presence	Strengthen sales networks in Southeast Asia, Northeast Asia, and Europe to drive brand internationalization.
Enhance brand visibility	Continue to participate in international exhibitions such as DesignCon, OFC, OCP, and COMPUTEX.

(III) Production strategies:

Execution	Key Actions
Implementation of smart manufacturing	Standardized modules and automated equipment to enhance flexibility and efficiency.
Strengthening supply chain resilience	Diversified strategies with partners and suppliers, and regional factory integration to reduce risks and minimize delivery delays.
On-demand production and small-batch diversification	Customized module design to reduce inventory and meet diverse customer needs.
Green and sustainable manufacturing	Promote ESG, reduce carbon emissions in production, and implement energy-saving processes.

III. Future Development Strategies

Development	Key Actions
Global production line integration	<ul style="list-style-type: none">● Expansion in North Vietnam● Strengthen the presence in North America and expand warehousing and production facilities in the U.S., enhancing supply flexibility and delivery efficiency.
Technology innovation	Launch PCIe Gen 7 connectors and cables, 1.6T optical modules, liquid-cooled quick-release connectors, and high-current products.
Customer expansion and diversification	Strengthen relationships with CSP clients, expand into EV, energy storage, and IoT applications.
ESG sustainable governance	Develop green products and promote ESG Committee to achieve sustainable growth.

IV. Impacts of External Competitive Environment, Regulatory Environment and Overall Business Environment

Aspect	Content	JPC's response strategies and actions
External Competitive Environment	Exchange rate fluctuations, rising raw material costs, and demographic shifts (declining birth rates)	Focus on high value-added and customized differentiation strategies to seize emerging opportunities in AI, new energy, and other rising industries.
Regulatory and ESG development	Strict regulations and sustainability becoming core topics.	The Sustainability Development Committee is responsible for the medium- and long-term ESG planning, ensuring transparency of information, balancing stakeholder interests, regulatory compliance, and fostering a culture of sustainable governance.
Public welfare and social contribution	Unequal access to educational resources and talent development	<ul style="list-style-type: none"> ● Collaborate with Chung Cheng University on industry-academia partnership to cultivate international talent. ● Donate equipment to National Taiwan University and National Taipei University of Technology to support academic and research applications. ● Provide long-term funding to the Taiwan Fund for Children and Families and the Education Sprout Project. ● Host annual Christmas charity sale, where the proceeds from the sale of employees' donated items are donated to charitable organizations. ● Sponsor sports and cultural development initiatives such as the "Dancing Dandelion" for rural education and supporting young tennis players. ● Sponsor the documentary "Wholeheartedly" to promote the spirit of contribution among foreign clergy in Taiwan. ● Establish the Yang Ming Chiao Tung University Scholarship to support Ukrainian students in completing their education.

V. Conclusion

Deepen the strategic deployment of production lines across North America and dynamically coordinate the supply chain in response to tariff challenges.

JPC integrates global resources with a strategic focus on AI servers, cloud networking, 5G, and data center applications, while also actively expanding into emerging sectors such as new energy, automotive, Industry 4.0, and medical electronics. Our growth momentum is driven by high-frequency, high-performance, and high-

margin products.

In 2024, we strengthened our presence in North America by establishing new warehousing and production facilities in the United States. These efforts, combined with our manufacturing hubs in Taiwan and Vietnam, enable agile allocation and localized supply, significantly enhancing delivery efficiency and global service capacity. This strategic move also boosts our resilience in the face of evolving international trade dynamics and tariff policies, further solidifying clients' trust.

In 2025, JPC participated in DesignCon and attended NVIDIA GTC. Several of our products have been integrated into the MGX Ecosystem, deepening technical collaboration with CSPs, SIs, and ODMs, expanding our global market footprint, and strengthening synergies with partners across the AI ecosystem.

Rooted in innovation and guided by a service-first philosophy, JPC is committed to building a faster, more precise, and value-driven global support system. We also embed ESG principles into our operations, striving to fulfill our promise of "happy workplace, shared prosperity, and a sustainable Earth."

We sincerely thank all our shareholders for your trust and support throughout the years. JPC will continue to collaborate with global partners to create sustainable growth in the new era of AI.

Chairman : Shu-Mei Chang

General Manager : Shu-Mei Chang

Accounting Supervisor : Chih-Ping Cheng

Audit Report of the Audit Committee

The Company has prepared the Individual Financial Statements, Consolidated Financial Statements, Earnings Distribution Table, and Business Report for the year of 2024. The Reports with unqualified opinions issued by PwC Taiwan separately have been reviewed by us, the Audit Committee, and there is no discrepancy in our opinion, and we issue the Review Report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please check the Report.

Sincerely,

JPC connectivity Inc.

2025 Annual Shareholders' Meeting

Audit Committee member : Jing-Hua He

February 25, 2025

Audit Report of the Audit Committee

The Company has prepared the Individual Financial Statements, Consolidated Financial Statements, Earnings Distribution Table, and Business Report for the year of 2024. The Reports with unqualified opinions issued by PwC Taiwan separately have been reviewed by us, the Audit Committee, and there is no discrepancy in our opinion, and we issue the Review Report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please check the Report.

Sincerely,

JPC connectivity Inc.

2025 Annual Shareholders' Meeting

Audit Committee member : Chih-Feng Lin

February 25, 2025

Audit Report of the Audit Committee

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Sincerely,

JPC connectivity Inc.

2025 Annual Shareholders' Meeting

Audit Committee member : Li-Chih Lo

February 25, 2025

Audit Report of the Audit Committee

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Sincerely,

JPC connectivity Inc.

2025 Annual Shareholders' Meeting

Audit Committee member : Shu-Ling Wang

February 25, 2025

Directors' Remuneration Table

2024 ; Unit: NT\$ thousand ; Thousand shares

Title	Name	Compensation Paid to Directors								The total of four items (A~D) and their proportion to the net income after tax				Compensation for acting as adjunct employee								The total of seven items (A~G) and their proportion to the net income after tax				Compensation from Invested Companies Other than Subsidiaries or the Parent Company	
		Bonus (A)		Pension (B)		Compensation (C)		Business Operating Expenses (D) (Note 2)						Compensation and Special Allowance (E)		Pension (F)		Bonus (G) (Note 1)									
		The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company		All Companies in Consolidated Financial Statements		The Company	All Companies in Consolidated Financial Statements				
																		Cash	Share	Cash	Share						
Chairman	Shu-Mei Chang	-	-	-	-	600	600	90	90	690	0.07%	690	0.07%	5,252	5,252	-	-	4,000	-	4,000	-	9,942	0.94%	9,942	0.94%	-	
Vice Chairman	Cin-Chih Jiang	-	-	-	-	600	600	75	75	675	0.06%	675	0.06%	-	-	-	-	-	-	-	-	675	0.06%	675	0.06%	-	
Director	Ming-Kung Yang	-	-	-	-	600	600	75	75	675	0.06%	675	0.06%	-	-	-	-	-	-	-	-	675	0.06%	675	0.06%	-	
Director	Yu-Ling Tsai	-	-	-	-	600	600	75	75	675	0.06%	675	0.06%	-	-	-	-	-	-	-	-	675	0.06%	675	0.06%	-	
Director	Ming-Hsiang Cheng	-	-	-	-	600	600	90	90	690	0.07%	690	0.07%	-	-	-	-	-	-	-	-	690	0.07%	690	0.07%	-	
Independent Director	Jing-Hua He	-	-	-	-	600	600	90	90	690	0.07%	690	0.07%	-	-	-	-	-	-	-	-	690	0.07%	690	0.07%	-	
Independent Director	Li-Chih Lo	-	-	-	-	600	600	75	75	675	0.06%	675	0.06%	-	-	-	-	-	-	-	-	675	0.06%	675	0.06%	-	
Independent Director	Shu-Ling Wang	-	-	-	-	600	600	120	120	720	0.07%	720	0.07%	-	-	-	-	-	-	-	-	720	0.07%	720	0.07%	-	
Independent Director	Chih-Feng Lin	-	-	-	-	600	600	120	120	720	0.07%	720	0.07%	-	-	-	-	-	-	-	-	720	0.07%	720	0.07%	-	
Aside from the disclosures above, the compensation the directors received in the most recent fiscal year for services rendered to all companies within the financial report (such as serving as consultants): None.																											

Note 1: The 2024 bonus for employees and directors has been approved by the Board of Directors on February 25, 2025 and it is the proposed distribution amount.

Note 2: Business Operating Expenses include compensation for concurrently serving as a member of the Compensation Committee.

Note 3: Please explain the independent director compensation policy, system, standard, and structure, and the connection between the amount of compensation and the considered factors such as their job responsibilities, risks, and working time: The compensation to the directors is determined by the Board in accordance with the Company's Articles of Association, taking into account the degree of participation in and the contribution to the Company's operations. If the Company makes a profit, the Board shall determine the amount of compensation to directors in accordance with the Company's Articles of Association. The independent directors are members of the Audit Committee and mainly receive compensation and travel expenses.

【Appendix IV】

**JPC connectivity Inc.
Independent Auditor’s Report and Parent Company Only
Financial Statements**

INDEPENDENT AUDITORS’ REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of JPC connectivity Inc.

Opinion

We have audited the accompanying parent company only balance sheets of JPC connectivity Inc.(the “Company”) as at December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to the *Other matter* section), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ responsibilities for the audit of the parent company

only financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key audit matters for the Company's 2024 parent company only financial statements are stated as follows:

Appropriateness of cut-off on sales revenue

Description

For the accounting policy on revenue recognition, refer to Note 4(29).

The Company's sales mainly arise from manufacturing and sales of electronic components and the Company is primarily engaged in international sales. The revenue from international sales is recognized based on the transaction terms with customers. As there are a large number of customers, sales areas and transaction terms, we considered the cut-off on sales revenue as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of the transaction terms of sales revenue and tested the internal controls over the recognition of sales revenue.

2. Selected samples of supporting documents used in revenue recognition, including verifying orders, delivery orders and other relevant documents to evaluate the appropriateness of the cut-off on revenue.
3. Performed cut-off test on sales transactions for a certain period before and after the end of the reporting period to assess the appropriateness of the cut-off on sales revenues.

Valuation of inventories

Description

Refer to Notes 4(13) and (14) for accounting policy on inventory valuation and investment accounted for under the equity method, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to inventory valuation, and Notes 6(6) and (7) for details of inventories. As at December 31, 2024, the Company's inventories and allowance for inventory valuation losses were NT\$225,725 thousand and NT\$10,994 thousand, respectively. As at December 31, 2024, the balances of inventories and allowance for inventory valuation losses in the consolidated financial statements amounted to NT\$705,575 thousand and NT\$67,613 thousand, respectively.

The Company and its subsidiaries are primarily engaged in the manufacture and sales of electronic components. As the electronic products' life cycles are relatively short and the market is highly competitive, there is a higher risk of incurring inventory valuation losses or having obsolete inventory. The Company and its subsidiaries' inventory are stated at the lower of cost and net realisable value, and the net realisable value of inventories over a certain age and individually identified as obsolete is evaluated based on the historical data on inventory clearance and discounts. The allowance for inventory valuation losses is presented under "inventories" and "investment accounted for using equity method" in the parent company financial statements.

The Company and its subsidiaries operate in an environment characterised by rapidly

changing technology and the calculation of the net realisable value of obsolete inventories involves subjective judgment, which would result in a high degree of estimation uncertainty. Given that the inventory and allowance for inventory valuation losses are material to the financial statements, we considered the assessment of allowance for inventory valuation losses a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of the Company's operations and industry. Assessed the reasonableness of the policies and procedures used to recognize allowance for inventory valuation losses.
2. Obtained the report on net realisable value of each inventory item and checked whether the calculation logic was applied consistently to each inventory item.
3. Verified the appropriateness of system logic used in the inventory aging reports which management used to assess inventories to confirm whether the information on the reports is consistent with its policies.
4. Discussed with management the estimated net realisable value of inventory items aged over a certain period and individually identified as obsolete and damaged, obtained and corroborated against supporting documents and recalculated the allowance provision.

Other matter - Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in the financial statements and the information disclosed in Note 13 in respect of these companies, is based solely on the reports of the other auditors. The balance of these investments accounted for under the

equity method amounted to NT\$797,633 thousand and NT\$546,561 thousand, constituting 10% and 9% of the total assets as at December 31, 2024 and 2023, respectively, and the comprehensive income recognized from these investments accounted for under the equity method amounted to NT\$98,244 thousand and NT\$32,863 thousand, constituting 9% and 5% of the total comprehensive income for the years then ended, respectively.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance

is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only 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 parent company only 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 Company'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 Company'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 parent company only 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 Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the 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 parent company only 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.

Wu, Jen-Chieh

Lin, Ya-Hui

For and on Behalf of PricewaterhouseCoopers, Taiwan

February 25, 2025

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

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

JPC CONNECTIVITY INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2024 AMOUNT	December 31, 2023 AMOUNT
Current assets				
1100	Cash and cash equivalents	6(1)	\$ 786,019	\$ 428,051
1110	Current financial assets at fair value through profit or loss	6(2)	10,930	1,453
1120	Current financial assets at fair value through other comprehensive income	6(3)	290,495	150,188
1136	Current financial assets at amortised cost	6(4) and 8	985,455	214,970
1170	Accounts receivable	6(5) and 7	911,365	796,116
1200	Other receivables	7	121,424	279,476
130X	Inventory	6(6)	214,731	165,677
1410	Prepayments	7	28,175	52,981
11XX	Total current assets		<u>3,348,594</u>	<u>2,088,912</u>
Non-current assets				
1510	Non-current financial assets at fair value through profit or loss	6(2)	30,697	23,342
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	99,183	91,860
1550	Investments accounted for under equity method	6(7)	3,763,394	3,121,543
1600	Property, plant and equipment	6(8) and 8	639,507	340,260
1755	Right-of-use assets	6(9)	22,056	29,191
1760	Investment property	6(10) and 8	17,437	37,679
1780	Intangible assets	6(11)	7,794	5,317
1840	Deferred income tax assets	6(23)	5,750	6,606
1900	Other non-current assets	6(15) and 8	39,654	28,408
15XX	Total non-current assets		<u>4,625,472</u>	<u>3,684,206</u>
1XXX	Total assets		<u>\$ 7,974,066</u>	<u>\$ 5,773,118</u>

(Continued)

JPC CONNECTIVITY INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2024 AMOUNT	December 31, 2023 AMOUNT
Current liabilities				
2100	Short-term borrowings	6(12)	\$ -	\$ 100,000
2130	Current contract liabilities	6(20)	23,533	5,353
2170	Accounts payable		489,751	448,107
2180	Accounts payable - related parties	7	1,528,101	1,291,882
2200	Other payables	6(14)	338,795	224,360
2220	Other payables - related parties	7	61,660	60,079
2230	Current income tax liabilities	6(23)	107,230	115,293
2280	Current lease liabilities		7,845	7,469
2399	Other current liabilities		1,738	3,016
21XX	Total current liabilities		<u>2,558,653</u>	<u>2,255,559</u>
Non-current liabilities				
2530	Bonds payable	6(13)	938,750	-
2570	Deferred income tax liabilities	6(23)	49,474	41,709
2580	Non-current lease liabilities		14,571	21,776
2600	Other non-current liabilities	6(14)	-	102,552
25XX	Total non-current liabilities		<u>1,002,795</u>	<u>166,037</u>
2XXX	Total liabilities		<u>3,561,448</u>	<u>2,421,596</u>
Equity				
	Share capital	6(16)		
3110	Common stock		1,220,859	1,220,859
	Capital surplus	6(17)		
3200	Capital surplus		437,097	272,568
	Retained earnings	6(18)		
3310	Legal reserve		650,914	585,160
3320	Special reserve		233,667	256,966
3350	Unappropriated retained earnings		1,881,214	1,249,636
	Other equity interest	6(19)		
3400	Other equity interest		(11,133)	(233,667)
3XXX	Total equity		<u>4,412,618</u>	<u>3,351,522</u>
	Significant contingent liabilities and unrecognized contract commitments	9		
	Significant events after the balance sheet date	11		
3X2X	Total liabilities and equity		<u>\$ 7,974,066</u>	<u>\$ 5,773,118</u>

The accompanying notes are an integral part of these parent company only financial statements.

JPC CONNECTIVITY INC.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

			Year ended December 31	
Items		Notes	2024	2023
			AMOUNT	AMOUNT
4000	Operating revenue	6(20) and 7	\$ 4,463,660	\$ 3,605,095
5000	Operating costs	6(6)(22) and 7	(3,050,863)	(2,609,069)
5900	Net operating margin		1,412,797	996,026
	Operating expenses	6(22)		
6100	Selling expenses		(302,522)	(195,308)
6200	General and administrative expenses		(178,028)	(156,081)
6300	Research and development expenses		(152,310)	(125,345)
6450	Impairment gain (expected credit loss)		740	1,542
6000	Total operating expenses		(632,120)	(478,276)
6900	Operating profit		780,677	517,750
	Non-operating income and expenses			
7100	Interest income		30,269	27,074
7010	Other income	6(3)	33,656	65,101
7020	Other gains and losses	6(21)	93,358	3,090
7050	Finance costs		(36,792)	(11,267)
7070	Share of profit of associates and joint ventures accounted for under equity method	6(7)		
			343,661	153,445
7000	Total non-operating income and expenses		464,152	237,443
7900	Profit before income tax		1,244,829	755,193
7950	Income tax expense	6(23)	(184,185)	(119,798)
8200	Profit for the year		\$ 1,060,644	\$ 635,395
	Other comprehensive income			
	Components of other comprehensive income that will not be reclassified to profit or loss			
8311	Actuarial gains (losses) on defined benefit plan	6(15)	\$ 2,060	(\$ 365)
8316	Unrealized gains on financial assets at fair value through other comprehensive income	6(3)(19)		
			37,544	72,952
8330	Share of other comprehensive income of associates and joint ventures accounted for under equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(19)		
			167,098	20,540
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(23)	(412)	73
8310	Other comprehensive income that will not be reclassified to profit or loss		206,290	93,200
	Components of other comprehensive income that will be reclassified to profit or loss			
8361	Financial statements translation differences of foreign operations	6(19)	80,066	(47,159)
8380	Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method	6(19)	142	(593)
8360	Other comprehensive income (loss) that will be reclassified to profit or loss		80,208	(47,752)
8300	Total other comprehensive income for the year		\$ 286,498	\$ 45,448
8500	Total comprehensive income for the year		\$ 1,347,142	\$ 680,843
	Earnings per share (in dollars)	6(24)		
9750	Basic earnings per share		\$ 8.69	\$ 5.20
9850	Diluted earnings per share		\$ 8.55	\$ 5.15

The accompanying notes are an integral part of these parent company only financial statements.

JPC CONNECTIVITY INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Capital Reserves			Retained Earnings			Other Equity Interest			

The accompanying notes are an integral part of these parent company only financial statements.

JPC CONNECTIVITY INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,244,829	\$ 755,193
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(22)	43,295	38,063
Amortisation	6(11)(22)	5,663	5,425
(Impairment gain) expected credit loss	12(2)	(740)	1,542
Dividend income	6(3)	(15,300)	(17,310)
Interest income		(30,269)	(27,074)
Net gain on financial assets or liabilities at fair value through profit or loss	6(21)	(22,675)	(7,206)
Gain on disposal of property, plant and equipment	6(21)	(55,368)	-
Interest expense		36,792	11,267
Share of (profit) loss of associates and joint ventures accounted for under equity method	6(7)	(343,661)	(153,445)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets or liabilities at fair value through profit or loss		8,943	9,627
Accounts receivable		(114,509)	78,693
Other receivables		220,612	(232,883)
Inventory		(49,054)	19,521
Prepayments		24,806	55,520
Other non-current assets		(235)	(253)
Changes in operating liabilities			
Current contract liabilities		18,180	(86,058)
Accounts payable		41,644	55,035
Accounts payable - related parties		236,219	140,649
Other payables		(32,133)	29,553
Other payables - related parties		1,582	(3,730)
Other current liabilities		(1,278)	(15)
Cash inflow generated from operations		1,217,343	672,114
Interest received		30,237	25,340
Interest paid		(3,774)	(1,955)
Income tax paid		(184,039)	(108,501)
Net cash flows from operating activities		1,059,767	586,998
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income		(189,632)	(30,848)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	79,546	110,597
Increase in financial assets at amortized cost		(770,485)	(184,470)
Dividends received	6(3)	15,300	53,989
Acquisition of investments accounted for under equity method		(124,478)	(469,960)
Acquisition of property, plant and equipment	6(25)	(414,544)	(67,480)
Proceeds from disposal of property, plant and equipment		175,355	-
Acquisition of intangible assets	6(11)	(8,140)	(4,322)
(Increase) decrease in refundable deposits		(4,099)	198
Acquisition of other non-current assets		(9,018)	(4,424)
Net cash flows used in investing activities		(1,250,195)	(596,720)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(26)	1,161,000	265,000
Decrease in short-term borrowings	6(26)	(1,261,000)	(165,000)
Payment of lease liabilities	6(26)	(7,659)	(7,442)
Decrease in guarantee deposits received		(150)	-
Cash dividends paid	6(18)	(439,509)	(268,589)
Cash dividends from capital surplus	6(18)	(73,252)	(122,086)
Proceeds from issuance of bonds	6(25)	1,168,966	-
Net cash flows from (used in) financing activities		548,396	(298,117)
Net increase (decrease) in cash and cash equivalents		357,968	(307,839)
Cash and cash equivalents at beginning of year		428,051	735,890
Cash and cash equivalents at end of year		\$ 786,019	\$ 428,051

The accompanying notes are an integral part of these parent company only financial statements.

JPC connectivity Inc.

Independent Auditor's Report and Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of JPC connectivity Inc.

Opinion

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

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

Basis for opinion

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

Key audit matters

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

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

Appropriateness of cut-off on sales revenue

Description

For the accounting policy on revenue recognition, refer to Note 4(31).

The Group's sales mainly arise from manufacturing and sales of electronic components and the Group is primarily engaged in international sales. The revenue from international sales is recognized based on the transaction terms with customers. As there are a large number of customers, sales areas and transaction terms, we considered the cut-off on sales revenue as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of the transaction terms of sales revenue and tested the internal control over the recognition of sales revenue.
2. Selected samples of supporting documents used in revenue recognition, including verifying orders, delivery orders and other relevant documents to evaluate the appropriateness of the cut-off on revenue.
3. Performed cut-off test on sales transactions for a certain period before and after the balance sheet date to assess the appropriateness of the cut-off on sales revenues.

Valuation of inventories

Description

Refer to Note 4(14) for accounting policy on inventory valuation, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to inventory valuation, and Note 6(6) for details of inventories. As at December 31, 2024, the Company's inventories and loss allowance were NT\$705,575 thousand and NT\$67,613 thousand, respectively.

The Group is primarily engaged in the manufacture and sales of electronic components. As the electronic products' life cycles are relatively short and the market is highly competitive, there is a higher risk of incurring inventory valuation losses or having obsolete inventory. The Group's inventory is stated at the lower of cost and net realizable value, and the net realizable value of inventories over a certain age and individually identified as obsolete is evaluated based on the historical data on inventory clearance and discounts.

The Group operates in an environment characterized by rapidly changing technology and the calculation of the net realizable value of obsolete inventories involves subjective judgment, which would result in a high degree of estimation uncertainty. Given that the inventory and allowance for inventory valuation losses are material to the financial statements, we considered the assessment of allowance for inventory valuation losses a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of the Group's operations and industry. Assessed the reasonableness of the policies and procedures used to recognize allowance for inventory valuation losses.
2. Obtained the report on net realizable value of each inventory item and checked whether the calculation logic was applied consistently to each inventory item.
3. Verified the appropriateness of system logic used in the Group's inventory aging reports to confirm whether the information on the reports is consistent with its policies.
4. Discussed with management the estimated net realizable value of inventory items aged over a certain period and individually identified as obsolete and damaged, obtained and corroborated against supporting documents and recalculated the allowance provision.

Other matter - Reference to the audits of other auditors

We did not audit the financial statements of certain subsidiaries which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors. Total assets of these subsidiaries amounted to NT\$740,287 thousand and NT\$466,446 thousand, constituting 10% and 9% of the consolidated total assets as at December 31, 2024 and 2023, respectively, and the operating revenue amounted to NT\$841,552 thousand and NT\$485,686 thousand, constituting 12% and 10% of the consolidated net operating revenue as at December 31, 2024 and 2023, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of JPC connectivity Inc. as at and for the years ended December 31, 2024 and 2023.

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

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

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

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

1. Auditors' responsibilities for the audit of the financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

Wu, Jen-Chieh

Lin, Ya-Hui

For and on Behalf of PricewaterhouseCoopers, Taiwan

February 25, 2025

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

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

JPC CONNECTIVITY INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2024 AMOUNT	December 31, 2023 AMOUNT
Current assets				
1100	Cash and cash equivalents	6(1)	\$ 1,603,816	\$ 921,043
1110	Current financial assets at fair value through profit or loss	6(2)	163,254	208,782
1120	Current financial assets at fair value through other comprehensive income	6(3)	313,754	197,185
1136	Current financial assets at amortised cost, net	6(4)	1,032,332	377,006
1170	Accounts receivable, net	6(5) and 7	1,611,637	1,375,098
1200	Other receivables		62,537	43,501
130X	Inventory	6(6)	637,962	563,729
1410	Prepayments	6(7)	87,304	72,970
11XX	Total current assets		<u>5,512,596</u>	<u>3,759,314</u>
Non-current assets				
1510	Non-current financial assets at fair value through profit or loss	6(2)	30,697	23,342
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	380,053	223,138
1550	Investments accounted for under equity method	6(8)	116,748	8,114
1600	Property, plant and equipment	6(9) and 8	954,196	457,393
1755	Right-of-use assets	6(10)	109,908	110,542
1760	Investment property - net	6(11) and 8	19,451	39,664
1780	Intangible assets	6(12)	521,374	540,708
1840	Deferred income tax assets	6(26)	16,032	13,665
1900	Other non-current assets	6(13) and 8	63,056	178,159
15XX	Total non-current assets		<u>2,211,515</u>	<u>1,594,725</u>
1XXX	Total assets		<u>\$ 7,724,111</u>	<u>\$ 5,354,039</u>

(Continued)

JPC CONNECTIVITY INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2024 AMOUNT	December 31, 2023 AMOUNT
Current liabilities				
2100	Short-term borrowings	6(14)	\$ -	\$ 100,000
2130	Current contract liabilities	6(22)	34,124	24,081
2170	Accounts payable	7	1,287,395	937,660
2200	Other payables	6(16)	491,792	344,659
2230	Current income tax liabilities	6(26)	148,841	143,301
2280	Current lease liabilities	6(30)	39,732	35,234
2399	Other current liabilities		3,978	5,838
21XX	Total current liabilities		<u>2,005,862</u>	<u>1,590,773</u>
Non-current liabilities				
2530	Bonds payable	6(15)	938,750	-
2570	Deferred income tax liabilities	6(26)	104,530	101,362
2580	Non-current lease liabilities	6(30)	59,999	71,309
2600	Other non-current liabilities	6(16)	4,524	106,709
25XX	Total non-current liabilities		<u>1,107,803</u>	<u>279,380</u>
2XXX	Total liabilities		<u>3,113,665</u>	<u>1,870,153</u>
Equity attributable to owners of parent				
	Share capital	6(18)		
3110	Common stock		1,220,859	1,220,859
	Capital surplus	6(19)		
3200	Capital surplus		437,097	272,568
	Retained earnings	6(20)		
3310	Legal reserve		650,914	585,160
3320	Special reserve		233,667	256,966
3350	Unappropriated retained earnings		1,881,214	1,249,636
	Other equity interest	6(21)		
3400	Other equity interest		(11,133)	(233,667)
31XX	Equity attributable to owners of the parent		<u>4,412,618</u>	<u>3,351,522</u>
36XX	Non-controlling interests		<u>197,828</u>	<u>132,364</u>
3XXX	Total equity		<u>4,610,446</u>	<u>3,483,886</u>
	Significant contingent liabilities and unrecognised contract commitments	9		
	Significant events after the balance sheet date	11		
3X2X	Total liabilities and equity		<u>\$ 7,724,111</u>	<u>\$ 5,354,039</u>

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

JPC CONNECTIVITY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

		Year ended December 31	
		2024	2023
Items	Notes	AMOUNT	AMOUNT
4000 Sales revenue	6(22) and 7	\$ 6,765,078	\$ 4,962,135
5000 Operating costs	6(6)(24) and 7	(4,522,738)	(3,525,604)
5900 Net operating margin		2,242,340	1,436,531
Operating expenses	6(24)		
6100 Selling expenses		(459,347)	(325,523)
6200 General and administrative expenses		(387,786)	(304,556)
6300 Research and development expenses		(192,336)	(163,891)
6450 Impairment gain (loss) determined in accordance with IFRS 9		957	1,351
6000 Total operating expenses		(1,038,512)	(795,321)
6900 Operating profit		1,203,828	641,210
Non-operating income and expenses			
7100 Interest income		39,392	35,474
7010 Other income	6(2)	37,621	75,643
7020 Other gains and losses	6(23)	170,036	70,952
7050 Finance costs		(39,547)	(13,464)
7060 Share of profit/(loss) of associates and joint ventures accounted for under equity method	6(8)	(624)	596
7000 Total non-operating income and expenses		206,878	169,201
7900 Profit before income tax		1,410,706	810,411
7950 Income tax expense	6(26)	(270,697)	(150,092)
8200 Profit for the year		\$ 1,140,009	\$ 660,319
Components of other comprehensive income that will not be reclassified to profit or loss			
8311 Gains (losses) on remeasurements of defined benefit plans	6(17)	\$ 2,060	(\$ 365)
8316 Unrealised gain on financial assets at fair value through other comprehensive income	6(3)(21)	204,642	93,492
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	(412)	73
Components of other comprehensive income that will be reclassified to profit or loss	6(21)		
8361 Financial statements translation differences of foreign operations		85,029	(47,587)
8370 Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income (loss) that will be reclassified to profit or loss		142	(593)
8360 Other comprehensive income (loss) that will be reclassified to profit or loss		85,171	(48,180)
8300 Total other comprehensive income for the year		\$ 291,461	\$ 45,020
8500 Total comprehensive income for the year		\$ 1,431,470	\$ 705,339
Profit attributable to:			
8610 Owners of the parent		\$ 1,060,644	\$ 635,395
8620 Non-controlling interests		79,365	24,924
		\$ 1,140,009	\$ 660,319
Comprehensive income attributable to:			
8710 Owners of the parent		\$ 1,347,142	\$ 680,843
8720 Non-controlling interests		84,328	24,496
		\$ 1,431,470	\$ 705,339
Earnings per share (in dollars)	6(27)		
9750 Basic earnings per share		\$ 8.69	\$ 5.20
9850 Diluted earnings per share		\$ 8.55	\$ 5.15

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

JPC CONNECTIVITY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent													
Capital Reserves					Retained Earnings			Other Equity Interest					
		Total capital surplus, additional paid-in capital	Treasury stock transactions	Capital surplus, share options			Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		Non-controlling interests	Total equity	
Notes	Share capital - common stock				Legal reserve	Special reserve				Total			
<u>2023</u>													
Balance at January 1, 2023	\$ 1,220,859	\$ 381,815	\$ 12,839	\$ -	\$ 537,680	\$ 191,539	\$ 973,587	(\$ 166,032)	(\$ 90,933)	\$ 3,061,354	\$ 98,068	\$ 3,159,422	
Consolidated net income	-	-	-	-	-	-	635,395	-	-	635,395	24,924	660,319	
Other comprehensive income (loss)	6(21)	-	-	-	-	-	(292)	(47,752)	93,492	45,448	(428)	45,020	
Total comprehensive income (loss)	-	-	-	-	-	-	635,103	(47,752)	93,492	680,843	24,496	705,339	
Appropriations of 2022 earnings:	6(20)												
Legal reserve	-	-	-	-	47,480	-	(47,480)	-	-	-	-	-	
Special reserve	-	-	-	-	-	65,427	(65,427)	-	-	-	-	-	
Cash dividends	-	-	-	-	-	-	(268,589)	-	-	(268,589)	-	(268,589)	
Cash dividends from capital surplus	6(20)	-	(122,086)	-	-	-	-	-	-	(122,086)	-	(122,086)	
Disposal of financial assets at fair value through other comprehensive income	6(3)(21)	-	-	-	-	-	22,442	-	(22,442)	-	-	-	
Business combinations	-	-	-	-	-	-	-	-	-	-	9,800	9,800	
Balance at December 31, 2023	\$ 1,220,859	\$ 259,729	\$ 12,839	\$ -	\$ 585,160	\$ 256,966	\$ 1,249,636	(\$ 213,784)	(\$ 19,883)	\$ 3,351,522	\$ 132,364	\$ 3,483,886	
<u>2024</u>													
Balance at January 1, 2024	\$ 1,220,859	\$ 259,729	\$ 12,839	\$ -	\$ 585,160	\$ 256,966	\$ 1,249,636	(\$ 213,784)	(\$ 19,883)	\$ 3,351,522	\$ 132,364	\$ 3,483,886	
Consolidated net income	-	-	-	-	-	-	1,060,644	-	-	1,060,644	79,365	1,140,009	
Other comprehensive income	6(21)	-	-	-	-	-	1,648	80,208	204,642	286,498	4,963	291,461	
Total comprehensive income	-	-	-	-	-	-	1,062,292	80,208	204,642	1,347,142	84,328	1,431,470	
Appropriations of 2023 earnings:	6(20)												
Legal reserve	-	-	-	-	65,754	-	(65,754)	-	-	-	-	-	
Reversal of special reserve	-	-	-	-	-	(23,299)	23,299	-	-	-	-	-	
Cash dividends	-	-	-	-	-	-	(439,509)	-	-	(439,509)	-	(439,509)	
Cash dividends from capital surplus	6(20)	-	(73,252)	-	-	-	-	-	-	(73,252)	-	(73,252)	
Proceeds from issuance of bonds	-	-	-	237,781	-	-	-	-	-	237,781	-	237,781	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(3)(21)	-	-	-	-	-	62,316	-	(62,316)	-	-	-	
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	(11,066)	-	-	(11,066)	-	(11,066)	
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(34,677)	(34,677)	
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	15,813	15,813	
Balance at December 31, 2024	\$ 1,220,859	\$ 186,477	\$ 12,839	\$ 237,781	\$ 650,914	\$ 233,667	\$ 1,881,214	(\$ 133,576)	\$ 122,443	\$ 4,412,618	\$ 197,828	\$ 4,610,446	

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

JPC CONNECTIVITY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,410,706	\$ 810,411
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(24)	123,910	112,321
Amortisation	6(12)(24)	29,951	18,323
(Reversal of impairment loss) expected credit loss	12(2)	(957)	1,351
Dividend income	6(2)(3)	(22,051)	(24,469)
Interest income		(39,392)	(35,474)
Net gain on financial assets or liabilities at fair value through profit or loss	6(2)(23)	(71,880)	(29,965)
Gain on disposal of property, plant and equipment	6(23)	(58,363)	(1,153)
Interest expense		39,547	13,464
Share of (profit) loss of associates and joint ventures accounted for under equity method	6(8)	624	(596)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets and liabilities at fair value		171,265	(4,898)
Accounts receivable		(167,772)	(249,222)
Other receivables		(19,036)	(11,555)
Inventories		(50,471)	134,722
Prepayments		(14,334)	11,898
Other non-current assets		(235)	(253)
Changes in operating liabilities			
Contract liabilities		9,495	(67,302)
Accounts payable		327,543	57,794
Other payables		97,354	47,724
Other current liabilities		(1,860)	(10,335)
Other non-current liabilities		(2,056)	1,706
Cash inflow generated from operations		1,761,988	774,492
Interest received		39,392	35,474
Interest paid		(6,529)	(4,152)
Income tax paid		(264,768)	(134,018)
Net cash flows from operating activities		1,530,083	671,796

(Continued)

JPC CONNECTIVITY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income		(\$ 249,632)	(\$ 38,536)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	122,678	151,686
Increase in financial assets at amortized cost		(1,117,276)	(401,067)
Decrease in financial assets at amortised cost		461,950	53,779
Acquisition of investments accounted for using equity method	6(8)	(109,116)	-
Acquisition of property, plant and equipment	6(29)	(540,526)	(107,782)
Proceeds from disposal of property, plant and equipment		185,785	2,787
Acquisition of intangible assets	6(12)	(9,523)	(4,701)
Dividends received	6(2)	22,051	24,469
Net cash outflow for business combinations	12(3), 6(28)(29)	(100,130)	(284,766)
Decrease in other non-current assets		(5,947)	(140,033)
Net cash flows used in investing activities		(1,339,686)	(744,164)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(30)	1,161,000	265,000
Decrease in short-term borrowings	6(30)	(1,261,000)	(165,000)
Payment of lease liabilities	6(30)	(45,387)	(52,068)
Cash dividends	6(20)	(439,509)	(268,589)
Cash dividends from capital surplus	6(20)	(73,252)	(122,086)
Change in non-controlling interests		(45,743)	-
Net cash generated from acquisition of subsidiary	4(3)	15,813	9,800
Proceeds from issuance of bonds	6(30)	1,168,966	-
Net cash flows from (used in) financing activities		480,888	(332,943)
Effect of foreign exchange translations		11,488	(10,939)
Net increase (decrease) in cash and cash equivalents		682,773	(416,250)
Cash and cash equivalents at beginning of year		921,043	1,337,293
Cash and cash equivalents at end of year		<u>\$ 1,603,816</u>	<u>\$ 921,043</u>

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