8924

O-TA Precision Industry Co., Ltd. and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report

January 1 to December 31, 2024

and January 1 to December 31, 2023

Address: No. 8, Jianfu Rd., Neipu Township, Pingtung County 912018, Taiwan (R.O.C.)
Phone: (08) 778-3855

The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Consolidated Financial Statements

Contents

Statement

For the year of 2024 (from January 1, 2024 to December 31, 2024), the companies that should be included in the consolidated financial statements of affiliated companies in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those that should be included in the consolidated financial statements in accordance with IFRS 10, and the information required to be disclosed in the consolidated financial statements of affiliated companies has been disclosed in the previous consolidated financial statements of the parent and subsidiary companies, and therefore the Company will not prepare a separate consolidated financial statements of affiliated companies.

Hereby declared

O-TA Precision Industry Co., Ltd.

Chairman: LEE, KUNG-WEN

March 11, 2025

Independent Auditors' Review Report

O-TA Precision Industry Co., Ltd.

Auditor's Opinion

We have audited the consolidated balance sheet of O-TA Precision Industry Co., Ltd. and its subsidiaries (collectively the "Group" hereinafter) as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, consolidated statement of changes in equity, and consolidated cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the aforementioned consolidated financial statements fairly present, in all material respects, the consolidated financial position of O-TA Precision Industry Co., Ltd. and its subsidiaries as of December 31, 2024, and December 31, 2023, as well as their consolidated financial performance and 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 (IFRS), International Accounting Standards (IAS), IFRS Interpretations, and Interpretations issued and approved by the Financial Supervisory Commission.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the section titled "Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" in 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. Based on our audits, 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 Consolidated Financial Statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon. As a result, we do not provide a separate opinion on these matters.

Allowance for accounts receivable

The net value of consolidated accounts receivable of the Group as of December 31, 2024, which was NT$679,510 thousand, accounted for 13% of the Group's total assets, and was therefore material to the Group's Consolidated Financial Statements. Since the allowance for accounts receivable is estimated at the life-time ECL and the measurement of ECL involves judgment, analysis, and estimation, we decided to identify it as the key audit matter.

Our audit procedures included (but were not limited to) assessing the reasonableness of the loss provision policy established by management; understanding and testing the effectiveness of the internal controls over accounts receivable management implemented by management; selecting samples to perform accounts receivable confirmations, and reviewing the subsequent receipts of the overall accounts receivable to assess their recoverability; selecting samples to test the accuracy of the aging; evaluating the reasonableness of aging changes, recalculating the rolling rate and loss rate, and assessing the appropriateness of the expected credit loss rate. We also considered the appropriateness of the disclosures related to the impairment losses on accounts receivable in Notes (IV), (V), and (VI) of the consolidated financial statements of O-TA Precision Industry Co., Ltd. and its subsidiaries.

Inventories valuation

As of December 31, 2024, the net inventory of O-TA Precision Industry Co., Ltd. and its subsidiaries amounted to NT$556,739 thousand, accounting for 10% of total consolidated assets, which is considered material to the consolidated financial statements. The Group's main finished products and work-in-progress are highly customized products, so the net realizable value of slow-moving or obsolete inventories involves significant judgments by management. As a result, we have identified inventory valuation as a key audit matter.

Our audit procedures included (but were not limited to) understanding and testing the effectiveness of the internal control system established by management for inventories, including the transfer of inventory costs; evaluating management's stock-taking plan by selecting significant inventory locations to observe the inventory counting procedures and ensure the quantity and condition of the inventories; sampling to verify whether the inventory aging table accurately presents the aging ranges and analyzing whether the changes within each range are reasonable; assessing the provision rate for price decline and obsolescence losses; and recalculating the allowance for inventory obsolescence losses based on the obsolescence provision rate applicable to each inventory aging range. We also considered the appropriateness of the inventory disclosures in Notes Notes (IV), (V), and (VI) to the Consolidated Financial Statements of O-TA Precision Industry Co., Ltd. and its subsidiaries.

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

The management is responsible for fairly presenting 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 approved and promulgated by the Financial Supervisory Commission, and for maintaining the necessary internal controls related to the preparation of these Consolidated Financial Statements to ensure that these Consolidated Financial Statements are free from material misstatements, whether due to fraud or errors.

In preparing the Consolidated Financial Statements, management's responsibility also includes assessing the ability of O-TA Precision Industry Co., Ltd. and its subsidiaries to continue as a going concern, disclosing related matters, and using the going concern basis of accounting, unless management intends to liquidate O-TA Precision Industry Co., Ltd. and its subsidiaries or cease operations, or has no realistic alternative but to do so.

The governance body of O-TA Precision Industry Co., Ltd. and its subsidiaries, including the Audit Committee, is responsible for overseeing the financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

The objective of this audit is to obtain reasonable assurance that the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report. Reasonable assurance is a high level of assurance, but an audit conducted in accordance with auditing standards cannot guarantee that all material misstatements in the Consolidated Financial Statements will be detected. Misstatements may arise from fraud or error. Misstatements 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.

In accordance with auditing standards, the auditor applies professional judgment and professional skepticism during the audit. The auditor also performs the following procedures:

1. Identify and assess the risks of material misstatement in the consolidated financial statements due to fraud or error; design and perform appropriate responses to the assessed risks; and obtain sufficient and appropriate audit evidence to form the basis for the audit opinion. Since fraud may involve collusion, forgery, intentional omissions, misstatements, or override of internal controls, the risk of not detecting material misstatements due to fraud is higher than the risk of material misstatements due to error.
2. Obtain an understanding of the relevant internal controls for the audit to design appropriate audit procedures for the circumstances at hand. However, the objective is not to express an opinion on the effectiveness of internal controls at O-TA Precision Industry Co., Ltd. and its subsidiaries.

3. Assess the appropriateness of the accounting policies adopted by management, as well as the reasonableness of the accounting estimates and related disclosures made by management.
4. Based on the audit evidence obtained, we form a conclusion regarding the appropriateness of the management's use of the going concern basis of accounting, and whether any events or conditions that may cast significant doubt on the ability of O-TA Precision Industry Co., Ltd. and its subsidiaries to continue as a going concern exist, creating material uncertainty. If we determine that such events or conditions exist and result in significant uncertainty, we are required to highlight this in our audit report. We will either remind the users of the Consolidated Financial Statements about the relevant disclosures or, if such disclosures are inadequate, modify our audit opinion accordingly. The conclusion of the auditor is based on the audit evidence obtained as of the date of the audit report. However, future events or circumstances may lead to O-TA Precision Industry Co., Ltd. and its subsidiaries no longer having the ability to continue as a going concern.
5. The auditor also assesses the overall presentation, structure, and content of the consolidated financial statements (including the related notes), and whether the consolidated financial statements properly present the relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the components within the Group to express an opinion on the consolidated financial statements. The auditor is responsible for the guidance, supervision, and execution of the Group audit and for forming the audit opinion on the Group’s financial statements.

The auditor communicates matters with those charged with governance, including the planned scope and timing of the audit, as well as significant audit findings (including significant deficiencies in internal control identified during the audit process).

The auditor also provided the governance body with a statement that the personnel from the auditor's firm, subject to independence regulations, have adhered to the ethical standards regarding independence as outlined in the accounting profession's code of conduct. Additionally, the auditor communicated any relationships and other matters that could potentially affect the auditor’s independence (including related safeguards).

From the communication with the governance body, the auditor identified key audit matters for the audit of the consolidated financial statements of O-TA Precision Industry Co., Ltd. and its subsidiaries for the year 2024. In the auditor's report, the auditor shall communicate such matters, unless the law prohibits the disclosure of specific matters, or in extremely rare circumstances, the auditor decides not to communicate specific matters in the audit report because it is reasonably expected that the negative consequences of such communication would outweigh the public interest to be served.

Others

The Parent Company Only Financial Statements for 2024 and 2023 of the Company were audited by other CPAs, who then issued an independent auditors' report containing an unqualified opinion for reference.

Ernst & Young Taiwan
Approved by the competent authority for public issuance of the company's financial statements.
Audit Certification Number: Order No. Financial-Supervisory-Securities-VI-0970038990 of the Financial Supervisory Commission
Audit Certification Number: Order No. Financial-Supervisory-Securities-Auditing-1010045851 of the Financial Supervisory Commission

CHEN, CHENG-CHU

Accountant:

LEE, FANG-WEN

March 11, 2025

O-TA Precision Industry Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
As of December 31, 2024 and 2023

Unit: NT$ thousand

Assets			December 31, 2024		December 31, 2023	
Code	Accounting Items	Note	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	(IV)/(VI).1	$2,755,733	51	$2,655,575	51
1150	Net notes receivable	(IV)/(VI).12	50	-	-	-
1170	Net accounts receivable	(IV)/(VI).3& 12	671,015	13	656,574	13
1180	Accounts receivable - related parties, net	(IV)/(VI).3& 12/(VII)	8,495	-	26,000	-
1200	Other receivables		38,940	1	40,973	1
1210	Other receivables - related parties	(VII)	1	-	-	-
130x	Inventory	(IV)/(VI).4	556,739	10	648,317	12
1410	Prepayments		50,612	1	47,144	1
1470	Other current assets	(VIII)	500	-	500	-
11xx	Total current assets		4,082,085	76	4,075,083	78
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	(IV)/(VI).2	95,867	2	94,648	2
1600	Property, plant and equipment	(IV)/(VI).5	1,004,243	19	823,393	16
1755	Right-of-use assets	(IV)/(VI).13	104,300	2	147,285	3
1780	Intangible assets	(IV)/(VI).6	37,932	1	38,194	1
1840	Deferred tax assets	(IV)/(VI).17	20,090	-	21,114	-
1900	Other non-current assets		21,502	-	18,346	-
15xx	Total non-current assets		1,283,934	24	1,142,980	22
1xxx	Total assets		$5,366,019	100	$5,218,063	100

Liabilities and Equity			December 31, 2024		December 31, 2023	
Code	Accounting Items	Note	Amount	%	Amount	%
	Current liabilities					
2100	Short-term borrowings	(IV)/(VI).7	$335,000	6	$450,000	9
2150	Notes payable		113	-	75	-
2170	Accounts payable		222,437	4	243,667	5
2180	Accounts payable - related parties	(VII)	74	-	7	-
2200	Other payables	(VI).8	338,600	6	339,492	6
2230	Current tax liabilities	(IV)	77,123	2	85,962	2
2280	Lease liabilities - current	(IV)/(VI).13	29,023	1	48,220	1
2300	Other current liabilities		3,651	-	3,068	-
21xx	Total current liabilities		1,006,021	19	1,170,491	23
	Non-current liabilities					
2570	Deferred tax liabilities	(IV)/(VI).17	115,576	2	161,334	3
2580	Lease liabilities - non-current	(IV)/(VI).13	26,609	-	52,119	1
2640	Net defined benefit liabilities - non-current	(IV)/(VI).9	198	-	8,866	-
2670	Other non-current liabilities		228	-	433	-
25xx	Total non-current liabilities		142,611	2	222,752	4
2xxx	Total liabilities		1,148,632	21	1,393,243	27
	Equity attributable to shareholders of the parent	(IV)/(VI).10				
3100	Capital stock					
3110	Common stock		838,000	16	838,000	16
3200	Capital surplus		101,239	2	101,239	2
3300	Retained earnings					
3310	Legal reserves		1,162,354	22	1,121,747	21
3350	Undistributed earnings		1,823,464	34	1,744,350	34
	Total retained earnings		2,985,818	56	2,866,097	55
3400	Other equity		292,330	5	19,484	-
31xx	Total equity attributable to shareholders of the parent		4,217,387	79	3,824,820	73
3xxx	Total equity		4,217,387	79	3,824,820	73
	Total liabilities and equity		$5,366,019	100	$5,218,063	100

(Please refer to the Notes to the Consolidated Financial Statements)

Chairman: LEE, KUNG-WEN　　Manager: HSU, JUNG-MIN　　Accounting officer: LEE, CHUNG-MU

O-TA Precision Industry Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2024 and 2023

Unit: NT$ thousand

Code	Accounting Items	Note	2024 Amount	2024 %	2023 Amount	2023 %
4000	Operating income	(IV)/(VI).11/(VII)	$4,637,473	100	$4,367,641	100
5000	Operating costs	(IV)/(VI).4& 6& 9& 13& 14/(VII)	(3,898,847)	(84)	(3,643,553)	(83)
5900	Operating gross profit		738,626	16	724,088	17
6000	Operating expense	(IV)/(VI).6& 9& 13& 14/(VII)				
6100	Selling and marketing expenses		(77,705)	(2)	(76,103)	(2)
6200	Administrative expenses		(235,973)	(5)	(237,957)	(5)
6300	Research and development expense		(25,111)	-	(25,900)	(1)
6450	Expected credit impairment (loss)	(IV)/(VI).12	1,209	-	(1,856)	-
	Total operating expense		(337,580)	(7)	(341,816)	(8)
6900	Operating profits		401,046	9	382,272	9
7000	Non-operating income and expenses	(IV)/(VI).15/(VII)				
7100	Interest income		123,660	3	113,391	2
7010	Other income		18,375	-	15,373	-
7020	Other gains and losses		45,649	1	42,738	1
7050	Finance costs		(8,866)	-	(11,188)	-
	Total non-operating income and expenses		178,818	4	160,314	3
7900	Profit before tax		579,864	13	542,586	12
7950	Income tax expense	(IV)/(VI).17	(105,581)	(3)	(136,066)	(3)
8000	Profit from continuing operations		474,283	10	406,520	9
8200	Current net profit		474,283	10	406,520	9
8300	Other comprehensive income	(VI).16& 17				
8310	Items not reclassified subsequently to profit or loss					
8311	Remeasurement of defined benefit plans		7,223	-	(559)	-
8349	Income tax related to items not reclassified		(1,445)	-	112	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translating the financial statements of foreign operations		271,871	6	(30,936)	(1)
8367	Unrealized gains or losses on debt instrument investments measured at fair value through other comprehensive income		1,219	-	7,650	-
8399	Income tax related to items that might be reclassified		(244)	-	(1,530)	-
	Other comprehensive income (Net Income)		278,624	6	(25,263)	(1)
8500	Total comprehensive income		$752,907	16	$381,257	8
8600	Net income attributable to:					
8610	Shareholders of the parent company		$474,283	10	$406,520	9
8700	Total comprehensive income attributable to:					
8710	Shareholders of the parent company		$752,907	16	$381,257	8
	Earnings per share ($)	(VI).18				
9750	Basic earnings per share		$5.66		$4.85	
9850	Diluted earnings per share		$5.62		$4.83	

(Please refer to the Notes to the Consolidated Financial Statements)

Chairman: LEE, KUNG-WEN　　Manager: HSU, JUNG-MIN　　Accounting officer: LEE, CHUNG-MU

O-TA Precision Industry Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2024 and 2023

Unit: NT$ thousand

		Equity Attributable to Shareholders of the Parent								
				Retained Earnings			Other Equity			
	Item	Capital Stock	Capital Surplus	Legal Reserves	Special Reserve	Undistributed Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gains or Losses on Financial Assets Measured at Fair Value through Other Comprehensive Income	Total	Total Equity
Code		3100	3200	3310	3320	3350	3410	3420	31XX	3XXX
A1	Balance as of January 1, 2023	$838,000	$101,239	$941,256	$121,777	$2,473,821	$97,777	($53,477)	$4,520,393	$4,520,393
	Appropriation and distribution of earnings for 2022									
B1	Appropriation of statutory surplus reserves	-	-	180,491	-	(180,491)	-	-	-	-
B5	Cash dividends on ordinary shares	-	-	-	-	(1,076,830)	-	-	(1,076,830)	(1,076,830)
B17	Reversal of special reserve	-	-	-	(121,777)	121,777	-	-	-	-
D1	Net income for the period from January 1 to December 31, 2023	-	-	-	-	406,520	-	-	406,520	406,520
D3	Other comprehensive income for the period from January 1 to December 31, 2023	-	-	-	-	(447)	(30,936)	6,120	(25,263)	(25,263)
D5	Total comprehensive income	-	-	-	-	406,073	(30,936)	6,120	381,257	381,257
Z1	Balance as of December 31, 2023	$838,000	$101,239	$1,121,747	$-	$1,744,350	$66,841	($47,357)	$3,824,820	$3,824,820
A1	Balance as of January 1, 2024	$838,000	$101,239	$1,121,747	$-	$1,744,350	$66,841	($47,357)	$3,824,820	$3,824,820
	Appropriation and distribution of earnings for 2023									
B1	Appropriation of statutory surplus reserves	-	-	40,607	-	(40,607)	-	-	-	-
B5	Cash dividends on ordinary shares	-	-	-	-	(360,340)	-	-	(360,340)	(360,340)
D1	Net income for the period from January 1 to December 31, 2024	-	-	-	-	474,283	-	-	474,283	474,283
D3	Other comprehensive income for the period from January 1 to December 31, 2024	-	-	-	-	5,778	271,871	975	278,624	278,624
D5	Total comprehensive income	-	-	-	-	480,061	271,871	975	752,907	752,907
Z1	Balance as of December 31, 2024	$838,000	$101,239	$1,162,354	$-	$1,823,464	$338,712	($46,382)	$4,217,387	$4,217,387

(Please refer to the Notes to the Consolidated Financial Statements)

Chairman: LEE, KUNG-WEN　　Manager: HSU, JUNG-MIN　　Accounting officer: LEE, CHUNG-MU

O-TA Precision Industry Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

Unit: NT$ thousand

Code	Item	2024 Amount	2023 Amount
AAAA	Cash flows from operating activities:		
A10000	Profit before tax	$579,864	$542,586
A20000	Adjustments:		
A20010	Income and expense items:		
A20100	Depreciation expense	163,860	166,420
A20200	Amortization expense	2,674	2,603
A20300	Expected credit impairment (gain) loss	(1,209)	1,856
A20900	Interest expense	8,866	11,188
A21200	Interest income	(123,660)	(113,391)
A22500	Loss (gain) on disposal and retirement of property, plant, and equipment	(1,349)	(337)
A24100	Unrealized foreign exchange losses (gain)	(7,510)	12,982
A29900	Other items	-	(113)
A30000	Changes in operating assets/liabilities:		
A31130	Notes receivable	(50)	-
A31150	Accounts receivable	5,950	721,373
A31160	Accounts receivable - related parties	18,453	(18,136)
A31180	Other receivables	1,342	4,411
A31190	Other receivables - related parties	(1)	1
A31200	Inventory	135,537	239,850
A31230	Prepayments	(1,457)	3,663
A32130	Notes payable	38	(32)
A32150	Accounts payable	(31,856)	(145,360)
A32160	Accounts payable - related parties	66	(160)
A32180	Other payables	(17,824)	(217,777)
A32230	Other current liabilities	581	(5,773)
A32240	Net defined benefit liabilities	(1,445)	(1,457)
A33000	Cash inflows from operations	730,870	1,204,397
A33100	Interest received	126,350	107,100
A33300	Interest paid	(5,622)	(7,704)
A33500	Income tax paid	(160,575)	(206,518)
AAAA	Net cash inflow from operating activities	691,023	1,097,275
BBBB	Cash flows from investing activities:		
B02700	Acquisition of property, plant and equipment	(256,888)	(270,857)
B02800	Disposal of property, plant, and equipment	2,880	1,435
B04500	Acquisition of intangible assets	(632)	(597)
B06700	Increase in other non-current assets	(2,941)	(14,498)
BBBB	Net cash used in investing activities	(257,581)	(284,517)
CCCC	Cash flows from financing activities:		
C00100	Increase in short-term borrowings	(115,000)	10,000
C04020	Repayment of lease principal	(51,792)	(49,872)
C04300	Increase in other non-current liabilities	(234)	213
C04500	Cash dividends paid out	(360,340)	(1,076,830)
CCCC	Net cash used in financing activities	(527,366)	(1,116,489)
DDDD	Effect of exchange rate changes on cash and cash equivalents	194,082	(16,998)
EEEE	Increase (decrease) in cash and cash equivalents during this period	100,158	(320,729)
E00100	Cash and cash equivalents at the beginning of the period	2,655,575	2,976,304
E00200	Cash and cash equivalents at the end of the period	$2,755,733	$2,655,575

(Please refer to the Notes to the Consolidated Financial Statements)

Chairman: LEE, KUNG-WEN   Manager: HSU, JUNG-MIN   Accounting officer: LEE, CHUNG-MU

O-TA Precision Industry Co., Ltd. and Its Subsidiaries
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(I) Company History

O-TA Precision Industry Co., Ltd. (hereafter abbreviated as "the Company") was established in 1988 and primarily engages in the manufacturing, outsourced processing, assembly, and sale of golf club heads and their semi-finished products. The Company's stock was OTC-listed for trading at the Taipei Exchange on February 9, 2000.

(II) Date and Procedures of Approval of Financial Statements

The consolidated financial statements of the Company and its subsidiaries (hereafter abbreviated as "the Group") for the periods from January 1 to December 31 of 2024 and 2023 were approved for release by the Board of Directors on March 11, 2025.

(III) Application of New, Amended, and Revised Standards and Interpretations

1. Accounting policy amendments arising from the initial adoption of International Financial Reporting Standards:

   The Group has adopted the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and International Financial Reporting Interpretations or explanatory announcements recognized by the Financial Supervisory Commission (hereinafter referred to as the "FSC") that are applicable to the accounting year starting after January 1, 2024. The initial application of the new standards and amendments has no material impact on the Group.

2. As of the date of authorization for the issuance of the financial statements, the Group has not yet adopted the following new, revised, and amended standards or interpretations issued by the International Accounting Standards Board that approved by the Financial Supervisory Commission:

Items	Newly Issued/Revised/Amended Standards and Interpretations	Effective Date Issued by International Accounting Standards Board
1	Lack of Exchangeability (Amendments to IAS 21)	January 1, 2025

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

(1) Lack of Exchangeability (Amendments to IAS 21)

This amendment clarifies the exchangeability and lack of exchangeability between currencies and how exchange rates should be determined when a currency lacks exchangeability. It also introduces additional disclosure requirements for situations where a currency lacks exchangeability.

The Group has assessed that the new and revised standards or interpretations that are applicable for accounting periods beginning on or after January 1, 2025, have no significant impact on the Group.

3. As of the date of authorization for the issuance of the financial statements, the Group has not yet adopted the following new, revised, and amended standards or interpretations issued by the International Accounting Standards Board that have not yet been approved by the Financial Supervisory Commission:

Items	Newly Issued/Revised/Amended Standards and Interpretations	Effective Date Issued by International Accounting Standards Board
1	Amendments to IFRS 10 "Consolidated Financial Statements" and IAS ； 28 "Investments in Associates and Joint Ventures" - Sale or Contribution of Assets between an Investor and its Associates or Joint Ventures	Pending decision by the International Accounting Standards Board
2	IFRS 17 "Insurance Contracts"	January 1, 2023
3	IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
4	Disclosure Initiative－ Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
5	Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	January 1, 2026
6	Annual Improvements to IFRS–11th Edition	January 1, 2026
7	Contracts related to reliance on natural electricity (Amendments to IFRS 9 and IFRS 7)	January 1, 2026

The potential impact on the Group's financial statements from the future adoption of the above standards or interpretations, which have been issued by the International Accounting Standards Board but have not yet been approved by the Financial Supervisory Commission, as follows:

(1) Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" - Sale or Contribution of Assets between an Investor and its Associates or Joint Ventures

This plan aims to address the inconsistencies between IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" regarding the loss of control when contributing a subsidiary as an investment in associates or joint ventures. IAS 28 stipulates that when non-monetary assets are exchanged for equity interests in associates or joint ventures, the resulting share of profit or loss should be recognized using the downstream transaction method. Meanwhile, IFRS10 requires the recognition of the entire profit or loss when control over a subsidiary is lost. This amendment restricts the aforementioned provision of IAS 28, specifying that when assets that constitute a business as defined by IFRS 3 are sold or contributed, any resulting gains or losses should be recognized in full.

This amendment also modifies IFRS 10 to specify that when a subsidiary that does not constitute a business as defined by IFRS 3 is sold or contributed between an investor and its associates or joint ventures, the gain or loss arising should be recognized only to the extent of the unrelated investors' interests.

(2) IFRS 18 "Presentation and Disclosure in Financial Statements"

This standard will replace IAS 1 "Presentation of Financial Statements"; the major changes are as follows:

A. Enhance the comparability of income statement

The income statement will classify income and expenses into operating, investing, financing, income tax, and discontinued operations five categories. The first three categories are new classifications intended to improve the structure of the income statement. Additionally, all entities will be required to provide newly defined subtotals (including operating profits and losses). It allows investors to have a consistent starting point for analyzing the financial performance of different companies and makes it easier to compare across entities by enhancing the structure of the income statement and introducing newly defined subtotals.

B. Improve the transparency of managerial performance measures

Require companies to disclose explanations of entity specific metrics (known as managerial performance measures) related to the income statement.

C. Useful aggregation of financial statement information

Provide application guidance to determine whether financial information should be presented in the primary financial statements or in the notes. This change is expected to provide more detailed and useful information. Require companies to provide more transparent information on operating expenses to help investors locate and understand the information they use.

(3) Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures (IFRS 19)

Simplify the disclosure of non-publicly accountable subsidiaries and allow subsidiaries that meet the definition to voluntarily apply this standard.

(4) Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

This amendment includes:

A. Clarify that financial liabilities are deducted on the settlement date and explain the accounting treatment for financial liabilities settled using electronic payment before the settlement date.

B. Clarify how to evaluate the cash flow characteristics of financial assets with environmental, social and governance (ESG)-related characteristics or other similar contingent characteristics.

C. Clarify the treatment of non-recourse assets and contract-linked instruments.

D. IFRS 7 requires additional disclosures for financial assets or liabilities related to terms and contingent characteristics (including those linked to ESG), and for equity instruments classified as fair value through other comprehensive profit or loss.

(5) Annual Improvements to IFRS–11th Edition

A. Amendments to IFRS 1

B. Amendments to IFRS 7

C. Amendments to the Implementation Guidance for IFRS 7

D. Amendments to IFRS 9

E. Amendments to IFRS 10

F. Amendments to IAS 7

The Group is currently evaluating the potential impact of the newly issued, revised, and amended standards or interpretations on its financial position and performance. The relevant impact will be disclosed upon completion of the evaluation.

(IV) Summary of Significant Accounting Policies

1. Compliance statement

The consolidated financial statements of the Group for the year 2024 and 2023 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRS Interpretations, and related interpretations approved and issued by the Financial Supervisory Commission.

2. Basis of preparation

Apart from financial instruments measured at fair value, the consolidated financial statements are prepared on a historical cost basis. Unless otherwise indicated, the consolidated financial statements are presented in thousands of New Taiwan Dollars.

3. Consolidation overview

Principles of Consolidated Financial Statement Preparation

Control is achieved when the Company is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls the investee only when the following three factors of control are present:

(1) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities)

(2) Exposure or rights to variable returns from involvement with the investee, and

(3) Ability to use its power over the investee to affect the amount of the investor's returns

When the Company holds directly or indirectly, less than a majority of the voting rights or similar rights of the investee, it considers all relevant facts and circumstances to assess whether it has power over the investee, including:

(1) Contractual arrangements with other voting rights holders of the investee

(2) Rights arising from other contractual agreements

(3) Voting rights and potential voting rights

When facts and circumstances indicate that one or more of the three factors of control have changed, the Company reassesses whether it still controls the investee.

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

Subsidiaries are fully consolidated into the consolidated financial statements from the date of acquisition (the date on which the Group gains control) until the date lost its control. The accounting periods and policies of the subsidiaries' financial statements are consistent with the parent company. All intragroup account balances, transactions, unrealized gains and losses arising from intragroup transactions, and dividends are completely eliminated.

Changes in the shareholding in subsidiaries that do not result in a loss of control are treated as equity transactions.

The total comprehensive income of the subsidiaries is attributed to the owners and non-controlling interests of the Company, even if deficit balance arises from the non-controlling interests.

If the Company loses control of a subsidiary, it:

(1) Derecognizes the assets (including goodwill) and liabilities of the subsidiary;

(2) Derecognizes the carrying amount of any non-controlling interest;

(3) Recognizes the fair value of the consideration received;

(4) Recognizes the fair value of any investment retained;

(5) Reclassifies the parent's amounts previously recognized in other comprehensive income to current profit or loss, or directly transfer them to retained earnings in accordance with the provisions of other International Financial Reporting Standards;

(6) Recognizes any surplus or deficit in current profit or loss.

Primary entities for the preparation of consolidated financial statements are listed as follows:

			Percentage of ownership	
Name of Investment Company	Subsidiary	Primary Businesses	December 31, 2024	December 31, 2023
The Company	O-TA Golf Group Co.,Ltd.(O-TA BVI.)	Engages in the trading and investment business of golf club heads	100%	100%
O-TA BVI.	Harvest Fair International Limited	Trade business in golf club heads and bicycle accessories	100%	100%
O-TA BVI.	Jiangxi O-TA Precision Technology Co., Ltd.	Engaged in the production and sales of golf club heads, shafts, golf equipment, and plumbing components.	100%	100%
O-TA BVI.	VGT Composite Technology (Huizhou) Co., Ltd.	Production business of carbon fiber composites and bicycle accessories	100%	100%

4. Foreign currency transactions

The consolidated financial statements of the Group are presented in New Taiwan Dollars, the functional currency of the Company. Each intragroup entity determines its own functional currency and measures its financial statements in that currency.

Foreign currency transactions of the intragroup entities are translated into their functional currencies using the exchange rates at the dates of the transactions. At the end of each reporting period, foreign currency monetary items are translated using the closing rate of that date; foreign currency non-monetary items measured at fair value are translated using the exchange rates at the date when the fair values were measured; foreign currency non-monetary items measured at historical cost are translated using the exchange rates at the date of the original transaction.

Exchange differences arising on the settlement or translation of monetary items are recognized in profit or loss in the period that occurred, except as described below:

(1) Exchange differences on foreign currency borrowings attributable to acquired qualifying assets are considered an adjustment to interest costs and are capitalized as part of the asset cost.

(2) Foreign currency items that are subject to IFRS 9 "Financial Instruments" are treated as financial instruments based on the accounting policies.

(3) Exchange differences arising on monetary items that constitute part of the reporting entity's net investment in a foreign operation are initially recognized in other comprehensive income and are reclassified from equity to profit or loss upon the disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

5. Translation of foreign currency financial statements

When preparing consolidated financial statements, the assets and liabilities of foreign operations are translated into New Taiwan Dollars using the exchange rates at the balance sheet date. Revenue and expense items are translated at the average exchange rates for the period. Exchange differences arising from translation are recognized in other comprehensive income and accumulated under equity as a separate component. Upon disposal of the foreign operation, these accumulated exchange differences previously recognized in other comprehensive income are reclassified from equity to profit or loss when the disposal gain or loss is recognized. In cases involving partial disposals that result in the loss of control over foreign operations subsidiaries, as well as partial disposals of interests in associates or joint arrangements that include foreign operations, any retained interests that constitute financial assets related to the foreign operation are also treated as disposals.

For partial disposals of subsidiaries, including foreign operations, where control is not lost, the proportional share of cumulative exchange differences recognized in other comprehensive income is re-attributed to non-controlling interests of the foreign operation and is not recognized in profit or loss. For partial disposals of associates or joint arrangements, including foreign operations, where significant influence or joint control is not lost, the cumulative exchange differences are reclassified proportionally to profit or loss.

Goodwill and fair value adjustments to the carrying amounts of assets and liabilities, arising from the Group's acquisition of a foreign operation, are considered assets and liabilities of that foreign operation and reported in its functional currency.

6. Criteria for classifying assets and liabilities into current and non-current

Classified as current if they meet any of the following conditions; otherwise, they are classified as non-current assets:

(1) Expects to realize the asset, or intends to sell, or consume within its normal operating cycle.

(2) Holds the asset primarily for the purpose of trading.

(3) Expects to realize the asset within twelve months after the reporting period.

(4) Cash or cash equivalents, excluding restricted asset exchanged or used to settle liabilities for at lease twelve months after the reporting period.

Classified as current liabilities if it satisfies any of the following conditions; otherwise , they are classified as non-current liabilities:

(1) Expects to settle the liability in its normal operating cycle.

(2) Holds the liability primarily for the purpose of trading.

(3) Expects the liability is due to be settled within twelve months after the reporting period.

(4) It does not have an unconditional right to defer settlement of the liability for at lease twelve months after the reporting period.

7. Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, demand deposits, and short-term, highly liquid time deposits or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

8. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual terms of the instrument.

Financial assets and financial liabilities within the scope of IFRS9 "Financial Instruments" are initially recognized at fair value. Transaction costs directly attributable to the acquisition or issuance of these financial assets and financial liabilities (except for those classified as financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets and liabilities.

(1) Recognition and measurement of financial assets

Recognition and derecognition of financial assets from all regular way purchase or sale by the Group are accounted on the trade date.

The Group classified financial assets as subsequently measurement at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering, based on the following two factors:

A. Business model for managing the financial assets

B. Contractual cash flow characteristics of the financial assets

Financial Assets Measured at Amortized Cost

Financial assets is measured at amortized cost, if both of the following conditions are met and presented as notes receivable, accounts receivable, financial assets measured at amortized cost and other receivables etc., on the balance sheet:

A. Business model for managing the financial assets: Hold financial assets in order to collect contractual cash flows.

B. Contractual cash flow characteristics of the financial assets: Cash flows are solely payments of principal and interest on the principal amount outstanding.

Such financial assets (excluding those involved in hedging relationships) are subsequently measured at amortized cost [the amount at which the financial asset is measured at initial deducted the principal repayments, added to or deducted the cumulative amortization (using the effective interest method) of any difference between the initial amount and the maturity amount and adjusted for any loss allowance]. The gain or loss is recognized in profit or loss when it is derecognized, or through the amortization process, or in order to recognize the impairment gains or losses.

Interest calculated by using the effective interest method (multiplied the effective interest rate to the gross carrying amount of financial assets) or under the following circumstances is recognized in profit or loss:

A. For credit-impaired financial assets that are purchased or originated, multiplied the credit-adjusted effective interest rate to the amortized cost of the financial asset

B. For those not belong to the aforementioned but subsequently become credit impaired, multiplied the effective interest rate to the amortized cost of the financial asset

<u>Financial Asset Measured at Fair Value through Other Comprehensive Income</u>

Financial asset is measured at fair value through other comprehensive income, if both of the following conditions are met and reported as such on the balance sheet:

A. Business model for managing the financial assets: collecting contractual cash flow and selling financial assets

B. Contractual cash flow characteristics of the financial assets: Cash flows are solely payments of principal and interest on the principal amount outstanding.

Recognition of related gain or loss on such financial assets are described as below:

A. Prior to derecognition or reclassification, all other gains or losses are recognized in other comprehensive income, except for impairment and foreign exchange, which are recognized in profit or loss.

B. Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment.

C. Interest calculated by using the effective interest method (multiplied the effective interest rate to the gross carrying amount of financial assets) or under the following circumstances is recognized in profit or loss:

(a) For credit-impaired financial assets that are purchased or originated, multiplied the credit-adjusted effective interest rate to the amortized cost of the financial asset

(b) For those not belong to the aforementioned but subsequently become credit impaired, multiplied the effective interest rate to the amortized cost of the financial asset

Besides, for equity instruments within the scope of IFRS 9, that is neither held for trading nor contingent consideration recognized by an acquire in a business combination under IFRS 3, an election (irrevocable) can be made at initial recognition to present the changes of the fair value in other comprehensive income. Amounts reported in other comprehensive income shall not be subsequently transferred to profit or loss (upon disposal of such equity instruments, its cumulated amount within other components of equity is transferred directly to retained earnings) and these instruments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investments are recognized in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment.

Financial Assets Measured at Fair Value through Profit or Loss

Except for financial assets that meet specific conditions and were measured at amortized cost or at fair value through other comprehensive income, all financial assets were measured at fair value through profit or loss and reported as such on the balance sheet as financial assets measured at fair value through profit or loss.

These financial assets are measured at fair value, the gains or losses arising from remeasurement is recognized in profit or loss, which includes any dividends or interest received from these financial assets.

(2) Impairment of financial assets

The Group recognizes and measures an allowance for expected credit losses for investments in debt instruments measured at fair value through other comprehensive income and financial assets measured at amortized cost. For investments in debt instruments measured at fair value through other comprehensive income, the allowance for credit losses is recognized in other comprehensive income and does not reduce the carrying amount of the investment.

The Group measures expected credit losses in a way that reflects:

A. An unbiased and probability-weighted amount determined by evaluating all possible outcomes.

B. Time value of money

C. Reasonable and supportable information related to past events, current conditions, and forecasts of future economic conditions (which can be obtained without undue cost or effort of the balance sheet date)

The loss allowance is measures as follows:

A. Measured based on the expected credit losses amount equal to 12-month: This includes the credit risk on a financial asset has not increased significantly since initial recognition, or the financial asset is determined to have low credit risk at the balance sheet date. In addition, this also includes measure the loss allowances at an amount equal to lifetime expected credit losses from a previous reporting period, but determines at the current balance sheet date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.

B. At an amount equal to the lifetime expected credit losses: This includes the credit risk on a financial asset has increased significantly since initial recognition, or financial asset that is credit-impaired at purchase or origination.

C. For trade receivables or contract assets generated from transactions within the scope of IFRS 15, the Group adopts the measure of loss allowance amount at life time expected credit losses.

D. For lease receivables generated from transactions within the scope of IFRS 16, the Group adopts the measure of loss allowance amount at life time expected credit losses.

At each balance sheet date, the Group assesses whether the credit risk on financial instruments has increased significantly since initial recognition by comparing the changes in the risk of default between the balance sheet date and the date of initial recognition. Please refer to Note (XII) for further details on credit risk-related information.

(3) Derecognition of Financial Assets

The financial assets held by the Group are derecognized when one of the following conditions is met:

A. The contractual rights to cash flows from the financial asset have expired.

B. The financial asset has been transferred and substantially all the risks and rewards of ownership have been transferred to another party.

C. Neither transferred nor retained substantially all risks and rewards of ownership of the assets, but has transferred control over the assets.

On derecognized of financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable, including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(4) Financial liabilities and equity instruments

Classification of Liabilities and Equity

The Group classifies the instrument issued as financial liabilities or equity instruments in accordance with the substance of the contractual arrangements and the definitions of financial liabilities and equity instruments.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the company are recognized at the amount of proceeds obtained, net of directly attributable issuance costs.

Financial Liabilities

Financial liabilities within the scope of IFRS 9 are classified as either financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated at fair value through profit or loss.

It is classified as held for trading, if one of the following conditions is met:

A. The primary purpose of acquisition is to sell in the short term;

B. At initial recognition, it is part of an identifiable portfolio of financial instruments that are managed together, and for which there is evidence of a recent actual pattern of short-term profit-taking; or

C. Belong to derivative (expect for a derivative that is financial guarantee contracts or designated and effective hedging instruments).

For contracts that contain one or more embedded derivatives, the entire hybrid (combined) contract may be designated as financial liabilities at fair value through profit or loss; or when one of the following factors is met and can provide more relevant information, it is designated as at fair value through profit or loss at the time of initial recognition:

A. The designation can eliminate or significantly reduces a measurement or recognition inconsistency; or

B. A group of financial liabilities or a group of financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with documented risk management or investment strategies, and information about the Group is provide internally on the basis to the key management personnel.

Gains or losses on the subsequent measurement of financial liabilities at fiat value through profit of loss including any interest paid are recognized in profit or loss.

Financial Liabilities Measured at Amortized Cost

Financial liabilities measured at amortized cost include accounts payable and borrowings, etc., which are subsequently measured using the effective interest rate method after initial recognition. Gains or losses are recognized in profit or loss when the financial liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition or transaction costs.

Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged, canceled, or expired.

When the Group exchanges a debt instrument with a creditor under substantially different terms, or makes significant modifications to the terms of an existing financial liability (whether or not due to financial difficulty), the original liability is derecognized and a new liability is recognized. Upon derecognition of the financial liability, the difference between the carrying amount and the total consideration paid or payable (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 only offset and presented net in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

9. Fair value measurement

Fair Value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in one of the following markets:

(1) In the principal markets for the assets or liabilities, or

(2) If there is no principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible for transactions by the Group.

The fair value of assets or liabilities are measured using assumptions that market participants would use when pricing the asset or liability, assuming that the market participants in their economic best interest.

A fair value measurement of non-financial assets takes into account a market participant's ability to generate economic benefits either by using the asset at its highest and best use or by selling it to another market participant who would use the asset at its highest and best use.

The Group adopts valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

10. Inventory

Inventory is valued at the lower of cost and net realizable value item by item.

Costs refer to the costs incurred in bringing inventories to a condition and location ready for sale or production.

Raw materials - value at the actual purchase cost with a weighted average method.

Finished goods and work in process - include cost of direct materials and labor and proportion of manufacturing overheads based on normal operation capacity but excluding borrowing costs.

Net realizable value refers to the estimated selling price in the ordinary course of business, less estimated the costs still to be incurred to complete and selling expenses.

Rendering of services is accordance in accordance with IFRS 15 and not within the scope of inventory.

11. Property, plant and equipment

Property, plant and equipment are recognized based on acquisition cost and are presented net of accumulated depreciation and accumulated impairment losses. The aforementioned costs include expenses related to the dismantling, removal, and restoration of the site where the property, plant and equipment are located, as well as necessary interest incurred on construction in progress. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately. When significant components of property, plant and equipment are required to be replaced in intervals, the Group treats such components as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 "Property, plant and equipment". If a major examination or repair cost meets the criteria for recognition, it is regarded as a replacement cost and recognized as part of the carrying amount of plants and equipment, while other repair and maintenance expenses are recognized in profit or loss.

Depreciation is calculated on a straight-line method basis over the estimated useful lives of the following assets:

Class of Assets	Useful Life
Buildings and structures	Primary range 3 ~ 60 years
Machinery and equipment	Primary range 3 ~ 10 years
Transportation equipment	Primary range 3 ~ 5 years
Office equipment	Primary range 2 ~ 6 years
Leasehold improvements	Primary range 5 ~ 10 years
Other equipment	Primary range 2 ~ 40 years

Items of property, plant and equipment or any significant component initially are derecognized upon disposal or when no future economic benefits are expected from their use or disposal.

The residual value, years of useful life, and depreciation method of property, plant and equipment are assessed at the end of each fiscal year. If the expected value is different from the previous estimate, the change is considered a change in accounting estimates.

12. Lease

The Group assesses whether the contract is (or contains) a lease on the inception date of the contract. A contract is (or contains) a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group evaluates whether it has both of the following throughout the period of use:

(1) The right to obtain substantially all of the economic benefits from use of the identified asset; and

(2) The right to direct the use of the identified asset.

For contracts that are (or contains) a lease, the Group treats each lease component within the contract as a separate lease and handles it independently from the non-lease components of the contract. For contracts that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of each lease component and the aggregate standalone prices of the non-lease components. The relative standalone price of lease and non-lease components shall be determined on the basis of the price that the lessor (or a similar supplier) would charge separately for each component (or similar component). If observable standalone prices are not readily available, the Group maximizes the use of available observable information to estimate these standalone prices.

<u>The Group as a Lessee</u>

Except for leases that qualify and are elect as short-term or low-value asset leases, when the Group is the lessee in a lease contract, it recognizes right-of-use assets and lease liabilities for all leases.

At the commencement date, the Group measures lease liabilities at the present value of lease payments that are not paid as of that date. If the implicit interest rate in the lease is readily determinable, the lease payments are discounted using that rate. If the implicit rate is not readily determinable, the lessee's incremental borrowing rate is used. At the commencement date, the lease payments included in the measurement of the lease liabilities comprise the following payments for the right to use the underlying asset during the lease term that are unpaid as of that day:

(1) Fixed payments (including substantially fixed payments), less any lease incentives receivable;

(2) Variable lease payments that depend on an index or rate (initially measured using the index or rate as of the commencement date);

(3) Amounts expected to be payable by the lessee under residual value guarantees;

(4) The exercise price of a purchase option if the Group is reasonably certain that the option will be exercised; and

(5) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures lease liabilities on an amortized cost basis, which increases the carrying amount to reflect interest on the lease liability by using the effective interest method and reduces the carrying amount to reflect the lease payments made.

From the commencement date, the Group measures the right-of-use assets at cost, which includes:

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

(2) Any lease payments made at or before the commencement date, less any lease incentives received;

(3) Any initial direct costs incurred by the lessee; and

(4) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and any accumulated impairment losses. That is measured the right-of-use by applying the cost model.

If the ownership of the underlying asset transfers to the Group at the end of the lease term, or if the cost of the right-of-use asset reflects that the Group is reasonably certain to exercise a purchase option, then depreciation is provided from the commencement date until the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use assets 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.

The Group applies IAS 36 "Impairment of Assets" to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Apart from leases that qualify and are chosen as short-term or low-value asset leases, the Group reports right-of-use assets and lease liabilities in the balance sheet and recognizes the lease-related depreciation charge and interest expense separately in the comprehensive income statements.

For short-term leases and leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis or another systematic basis over the lease term.

13. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired through business combinations is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets that do not qualify for recognition are not capitalized but are expensed as incurred.

The useful lives of intangible assets are classified as either finite or indefinite.

Intangible assets with finite lives are amortized over their useful lives and assessed for impairment whenever there is indication that the asset may be impaired. The amortization period and method for intangible assets with finite useful lives are reviewed at least at the end of each financial year. If changes in the estimated useful life or the estimated pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization method or period, which is treated as a change in accounting estimate.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether indefinite life events and circumstances continues to be supportable. If the useful life is changed from indefinite to finite, it made on a prospective basis.

Gains or losses from the derecognition of an intangible asset are recognized in profit or loss.

A summary of the policies applied to the Group's intangible assets is as follows:

	Patent Rights
Useful life	Finite (6 ~ 20 years)
Amortization method used	Straight-line method
Internally generated or externally acquired	Internally generated or externally acquired

14. Impairment of non-financial assets

At the end of each reporting period, the Group assesses all assets subject to IAS 36 "Impairment of Assets" for indications of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Group conducts the test on an individual asset or the cash-generating unit to which the asset belongs. If the results of the impairment test show that the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, an impairment loss is recognized. Recoverable amount is the higher of the asset's or fair value less costs to sell or its value in use.

For assets excluding goodwill, an assessment is made by the Group at the end of each reporting date as to determine whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indications exist, the Group estimates the recoverable amount of the asset or cash-generating unit. Impairment loss is reversed only if there has been an increased in the estimated service potential of the asset which in turn increases the recoverable amount. However, the reversed carrying amount must not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized for the asset.

Impairment losses and reversals for continuing operations are recognized in profit or loss.

15. Revenue recognition

The Group's revenue from contracts with customers are primarily related to sale of goods, with accounting treatment detailed as follows:

<u>Sale of Goods</u>

The Group manufactures and sells goods. Sales are recognized revenue when the promised goods are delivered to the customer and the customer gains control (i.e., the customer has the ability to direct the use of and obtain nearly all of the remaining benefits from the goods). The major products are golf club heads and other related equipment. Revenue is recognized based on the price specified in the contract, adjusted for estimated customer returns, discounts, and other similar allowances.

The credit period of the Group's goods sold ranges from 30 to 90 days. Most of the contracts are recognized as accounts receivable when the control over the goods is transferred with an unconditional right to receive consideration. Such accounts receivable are usually short-term and do not contain significant financial components. A small number of contracts with goods transferred to customers still bear no unconditional right to receive consideration are recognized as contract assets, for which an allowance for impairment should be measured over the lifetime ECLs in accordance with IFRS 9.

16. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets are capitalized as part of the cost of those assets. All other borrowing costs are recognized as expenses in the period they occur. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds.

17. Post-employment benefit plans

The pension plan for the Group's employees applies to all full-time employees. The employee pension fund is fully contributed to the Labor Pension Reserves Committee and deposited in the pension fund account. The aforementioned pension is deposited in the name of the Labor Pension Reserves Committee, which is completely separate from the Company and domestic subsidiaries, so it is not included in the consolidated financial statements in the preceding paragraph. The pension plan for employees at overseas subsidiaries is handled in accordance with local laws and regulations.

For the defined contribution pension plan, the monthly pension payable rate of the Company shall not be less than 6% of the employees' monthly salary, and the amount of the provision shall be recognized in current expenses; overseas subsidiaries make contributions at specified local rates and recognize them in current expenses.

Post-employment benefit plans that are defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions at the end of the annual reporting period. Re-measurement of the net defined benefit liability (asset) includes any changes in the return on plan assets and the effect of the asset ceiling, net of the amounts included in the net interest on the net defined benefit liability (asset), as well as actuarial gains and losses. Re-measurement of the net defined benefit liability (asset) are recognized in other comprehensive income and immediately recognized in retained earnings as it occurred.

Past service costs are arise from plan amendments or curtailments, change the present value of the defined benefit obligation and are recognized as an expense on the earlier of the following dates:

(1) The plan amendment or curtailment occurs; and

(2) The Group recognizes related restructuring-related costs or termination benefits.

Net interest on the net defined benefit liability (asset) is determined by multiplying the net defined benefit liability (asset) by the discount rate, both determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability (asset) due to contributions and benefit payments during the period.

18. Income tax

Income tax expense (income) refers to the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current Tax

Current tax liabilities (assets) related to the current and prior periods are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current taxes related to items recognized in other comprehensive income or directly in equity is recognized separately in other comprehensive income or equity, not in profit or loss.

The portion of income tax levied on undistributed earnings is recognized as income tax expense on the date the earnings distribution is resolved.

Deferred Tax

Deferred taxes is calculated on temporary differences at the end of the reporting date between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax liabilities are recognized for all taxable temporary differences, except in the following two cases:

(1) The initial recognition of goodwill, or the initial recognition that does not arise from a business combination and does not affect accounting profits and taxable income (loss) at the time of the transaction conducted, and corresponding taxable and deductible temporary differences did not generate at the time of the transaction conducted;

(2) In respect of taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

(1) Deductible temporary differences related to assets or liabilities from transactions that are not business combinations, which at the time of the transaction do not affect accounting profit or taxable income (loss), and do not create corresponding taxable and deductible temporary differences.

(2) Deductible temporary differences associated with investments in subsidiaries, associates, and joint ventures are recognized only to the extent that it is probable that they will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred taxes related to items not recognized in profit or loss are also not recognized in profit or loss but are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at the end of each reporting period and recognized if necessary.

Deferred tax assets and liabilities are only offset if there is a legally enforceable right exists to set off current tax assets against current tax liabilities, and deferred taxes relate to the same tax authority and the same taxable entity.

In accordance with the temporary exceptions specified in the "International Tax Reform -- Pillar Two Model Rules (Amendment to IAS 12)" the recognition of deferred tax assets and liabilities related to Pillar Two income taxes is prohibited, nor can their related information be disclosed.

(V) Critical Accounting Judgment, Estimates and Key Sources of Assumption Uncertainty

The preparation of the Group's consolidated financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these significant assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Discussed below:

1. Fair value of financial instruments

   Where the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including income approach (for example, the discounted cash flow model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note (XII) for more details.

2. Inventory

   Estimated net realizable value of inventory takes into account the potential impairment, obsolescence in whole or in part, or a decline in selling prices, and is based on the most reliable evidence available at the time of estimation regarding the expected realization amount of the inventory. Please refer to Note (VI) for more details.

3. Impairment of non-financial assets

   Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired. Recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. The calculation of fair value deduct disposal costs is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, less the incremental costs directly attributable to the disposal of the asset or cash-generating unit. Use value is calculated based on the discounted cash flow model.

4. Post-employment benefit plans

The cost of post-employment benefit pension plan and the present value of the defined benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions, including the change in the discount rate and expected salary level.

5. Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provision for income tax, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

Deferred tax assets are recognized for all carry forward of un-used tax losses and un-used tax credits and deductible temporary differences to the extent that it is probable the taxable profit will be available or there are sufficient taxable temporary differences against which the un-used tax losses, un-used tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

6. Accounts receivable - Estimated allowance for impairment loss

The Group estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract carrying amount and the cash flows that expects to receive. However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note (VI) for more details.

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

(VI) Details of Significant Accounts

1. Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and demand deposit	$559,683	$707,971
Time deposits	2,196,050	1,947,604
Total	$2,755,733	$2,655,575

2. Financial asset measured at fair value through other comprehensive income

	December 31, 2024	December 31, 2023
Debt instrument investments measured at fair value through other comprehensive income non-current:		
Corporate bond	$94,067	$92,848
Equity instrument investments at fair value through other comprehensive income - non-current：		
Unlisted TWSE/TPEx company stocks	1,800	1,800
Total	$95,867	$94,648

The Group's financial assets measured at fair value through other comprehensive income were not under pledged.

3. Accounts receivable and Accounts receivable - related parties

	December 31, 2024	December 31, 2023
Accounts receivable	$674,221	$660,783
Deduct: Allowance for impairment loss	(3,206)	(4,209)
Subtotal	671,015	656,574
Accounts receivable - related parties	8,504	26,027
Deduct: Allowance for impairment loss	(9)	(27)
Subtotal	8,495	26,000
Total	$679,510	$682,574

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

The Group's accounts receivable were not under pledged.

The Group’s credit period for clients usually ranges from 30 to 90 days. The total carrying amounts on December 31, 2024 and 2023 were NT$682,725 thousand and NT$686,810 thousand, respectively. See Note (VI).12 for the information on an allowance for losses for 2024 and 2023 and Note (XII) for the information on credit risk.

4. Inventory

	December 31, 2024	December 31, 2023
Raw materials	$123,148	$137,538
Materials	58,247	64,574
Work in progress	169,938	261,753
Finished goods	205,406	184,452
Total	$556,739	$648,317

The Group's operating costs recognized in expenses for 2024 and 2023 amounted to NT$3,898,847 thousand and NT$3,643,553 thousand, respectively, including the inventory valuation losses recognized of NT$30,777 thousand and NT$39,889 thousand, respectively.

The aforementioned inventory was not under pledged.

5. Property, plant and equipment

	December 31, 2024	December 31, 2023
Owner-occupied property, plant and equipment	$1,004,243	$823,393

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

	Land	Buildings and Structures	Machinery and Equipment	Office Equipment	Transportation Equipment	Leasehold Improvements	Other Equipment	Construction in Progress	Total
Cost::									
January 1, 2024	$65,877	$62,803	$756,678	$88,138	$15,148	$295,509	$82,563	$177,905	$1,544,621
Addition	-	-	80,590	3,011	4,593	4,019	11,250	153,425	256,888
Disposition	-	-	(6,592)	(469)	(3,485)	—	(5,042)	—	(15,588)
Transfer	-	-	-	-	—	—	—	—	—
Effects of movements in foreign exchange rates	-	-	39,153	1,083	273	15,434	3,445	12,046	71,434
December 31, 2024	$65,877	$62,803	$869,829	$91,763	$16,529	$314,962	$92,216	$343,376	$1,857,355
January 1, 2023	$65,877	$54,158	$726,417	$86,164	$15,359	$289,983	$74,843	$133	$1,312,934
Addition	-	8,645	45,208	2,627	1,788	10,484	20,258	181,847	270,857
Disposition	-	-	(2,164)	(292)	(1,911)	-	(11,438)	-	(15,805)
Transfer	-	-	-	-	-	136	-	(136)	-
Effects of movements in foreign exchange rates	-	-	(12,783)	(361)	(88)	(5,094)	(1,100)	(3,939)	(23,365)
December 31, 2023	$65,877	$62,803	$756,678	$88,138	$15,148	$295,509	$82,563	$177,905	$1,544,621
Depreciation and impairment:									
January 1, 2024	$-	($33,934)	($307,482)	($77,775)	($10,676)	($234,924)	($56,437)	$-	($721,228)
Depreciation	-	(1,438)	(71,239)	(4,383)	(1,753)	(20,840)	(14,500)	-	(114,153)
Disposition	-	-	5,227	469	3,319	-	5,042	-	14,057
Effects of movements in foreign exchange rates	-	-	(15,855)	(865)	(215)	(12,495)	(2,358)	-	(31,788)
December 31, 2024	$-	($35,372)	($389,349)	($82,554)	($9,325)	($268,259)	($68,253)	$-	($853,112)
January 1, 2023	$-	($32,812)	($242,827)	($73,933)	($10,708)	($213,185)	($53,610)	$-	($627,075)
Depreciation	-	(1,122)	(71,078)	(4,412)	(1,791)	(25,846)	(15,003)	-	(119,252)
Disposition	-	-	1,236	284	1,750	-	11,437	-	14,707
Effects of movements in foreign exchange rates	-	-	5,187	286	73	4,107	739	-	10,392
December 31, 2023	$-	($33,934)	($307,482)	($77,775)	($10,676)	($234,924)	($56,437)	$-	($721,228)
Net carrying amount:									
December 31, 2024	$65,877	$27,431	$480,480	$9,209	$7,204	$46,703	$23,963	$343,376	$1,004,243
December 31, 2023	$65,877	$28,869	$449,196	$10,363	$4,472	$60,585	$26,126	$177,905	$823,393

The Group's property, plant and equipment were not under pledged or mortgaged.

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

6. Intangible assets

	Patent Rights
Cost:	
January 1, 2024	$50,085
Addition	632
Derecognize	(270)
Effects of movements in foreign exchange rates	2,257
December 31, 2024	$52,704
January 1, 2023	$50,834
Addition	597
Derecognize	(604)
Effects of movements in foreign exchange rates	(742)
December 31, 2023	$50,085
Amortization and impairment:	
January 1, 2024	($11,891)
Amortization	(2,674)
Derecognize	270
Effects of movements in foreign exchange rates	(477)
December 31, 2024	($14,772)
January 1, 2023	($10,048)
Amortization	(2,603)
Derecognize	604
Effects of movements in foreign exchange rates	156
December 31, 2023	($11,891)
Net carrying amount:	
December 31, 2024	$37,932
December 31, 2023	$38,194

Amortization of intangible assets is as follows:

	2024	2023
Operating costs	$2,251	$2,208
Operating expense	$423	$395

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

7. Short-term borrowings

	December 31, 2024	December 31, 2023
Unsecured bank loans	$335,000	$450,000
Interest rate range		
Unsecured	0.50%～1.77%	1.65%～1.66%
Due date	2025. 01.23～2025.03.31	2024.01. 26～2024.05.06

As of December 31, 2024 and 2023, the Group's short-term borrowings undrawn amounted to about NT$1,285,000 thousand and NT$1,020,000 thousand, respectively.

8. Other payables

	December 31, 2024	December 31, 2023
Accrued processing fees	$152,454	$144,368
Accrued payroll	90,385	98,377
Accrued employees and directors' remuneration	54,925	51,214
Others	40,836	45,533
Total	$338,600	$339,492

9. Post-employment benefit plans

Defined Contribution Plans

The Company has an employee retirement plan stipulated in accordance with the Labor Pension Act, which is a defined contribution plan. According to the articles, the amount appropriated by the Company monthly to labor pension shall not be less than 6% of the worker's monthly wage. The Company makes a monthly contribution equivalent to 6% of the employees' monthly salary to the personal pension account with the Bureau of Labor Insurance as per the Act.

Harvest Fair, the Company's subsidiary, pays the mandatory provident fund in accordance with the provisions of the Mandatory Provident Fund Schemes Ordinance of Hong Kong.

In accordance with the regulations in China, the Company's subsidiaries Jiangxi O-TA and VGT appropriate a certain percentage of employees' wage to the pension insurance fund, which is paid to the relevant government authorities and saved in a separate account for each employee.

The defined contribution plan expenses recognized by the Group for 2024 and 2023 were NT$73,860 thousand and NT$76,804 thousand, respectively.

Defined Benefits Plan

The Company has an employee pension plan stipulated in accordance with the Labor Standards Act, which is a defined benefit plan. The employee pension to be paid is counted based on the number of points accumulated based on the length of service and the average monthly salary when the retirement is approved. Two points are granted for each year of service for the first 15 years and one point for each additional year thereafter, subject to a maximum of 45 units. The Company makes a contribution equal to 13% of the total salaries every month as a pension fund and deposit it in the account in the name of the Supervisory Committee of Labor Retirement Reserve with the Bank of Taiwan. In addition, the Company assess the balance in the aforementioned labor pension reserve account at the end of each year. If the account balance is insufficient to pay the pensions calculated in the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions to make up for the deficit by the end of March of the following year. Since April 27, 2004, the Company has been making a monthly contribution to the pension reserve equal to 4% of the total salaries paid to the directors who are also managers, which was approved by the National Taxation Bureau of the Southern Area (MOF) with the approved letter Chao-Zhou-Zi No.0930009057 dated April 27, 2004.

The Ministry of Labor allocates assets in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. Investments using the pension fund are made by the ministry itself and an agency, to make strategic medium- and long-term investments in both active and passive manners. Considering the market, credit, liquidity, and other risks, the Ministry of Labor has set a risk limit for the fund and has control plans in place so that there is enough flexibility to achieve the target return without assuming excessive risks.

With regard to the utilization of the fund, its minimum earnings in the annual distributions of the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings are less than aforementioned rates, the government shall make up for the difference after being approved by the competent authorities. The Company has no right to participate in managing and operating the fund, so the Company is unable to disclose the classification of the fair value of plan assets in accordance with paragraph 142 of IAS 19. As of December 31, 2024, the Company plans to contribute NT$1,825 thousand for the defined benefit plan for the following year.

As of December 31, 2024 and 2023, the Company's defined benefit plan is expected to expire in 7 years and 8 years, respectively.

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

The costs of the defined benefit plan recognized in profit or loss are compiled in the table below:

	2024	2023
Service cost in this period	$247	$384
Net interest on net defined benefit liability	97	69
Total	$344	$453

The reconciliation of the present values of defined benefit obligations and the fair values of plan assets is as follows:

	December 31, 2024	December 31, 2023
Present values of defined benefit obligations	$86,447	$90,196
Fair values of plan assets	(86,249)	(81,330)
Other non-current liabilities - net defined benefit liabilities (asset)	$198	$8,866

Reconciliation of net defined benefit liability (asset):

	Present Values of Defined Benefit Obligations	Fair Values of Plan Assets	Net Defined Benefit Liabilities (Assets)
January 1, 2024	$90,196	($81,330)	$8,866
Service cost in this period	247	-	247
Interest expense (income)	1,110	(1,013)	97
Subtotal	91,553	(82,343)	9,210
Net defined benefit liabilities/Asset remeasurement:			
Actuarial gains or losses from changes in financial assumptions	1,301	-	1,301
Experience adjustment	(1,149)	-	(1,149)
Remeasurement of defined benefit assets	-	(7,374)	(7,374)
Subtotal	152	(7,374)	(7,222)
Benefits paid	(5,258)	5,258	-
Employer’s contribution	-	(1,790)	(1,790)
December 31, 2024	$86,447	($86,249)	$198

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

	Present Values of Defined Benefit Obligations	Fair Values of Plan Assets	Net Defined Benefit Liabilities (Assets)
January 1, 2023	$91,679	($81,915)	$9,764
Service cost in this period	384	-	384
Interest expense (income)	1,180	(1,111)	69
Subtotal	93,243	(83,026)	10,217
Net defined benefit liabilities/Asset remeasurement:			
Actuarial gains or losses from changes in financial assumptions	628	-	628
Experience adjustment	530	-	530
Remeasurement of defined benefit assets	-	(598)	(598)
Subtotal	1,158	(598)	560
Benefits paid	(4,205)	4,205	-
Employer’s contribution	-	(1,911)	(1,911)
December 31, 2023	$90,196	($81,330)	$8,866

The main assumptions below are adopted to determine the Group's defined benefit plan:

	December 31, 2024	December 31, 2023
Discount rate	1.52%	1.23%
Expected salary increase	2.00%	1.50%

Sensitivity analysis of each major actuarial assumption:

	2024		2023	
	Increase in Defined Benefit Obligations	Decrease in Defined Benefit Obligations	Increase in Defined Benefit Obligations	Decrease in Defined Benefit Obligations
0.5% increase in discount rate	-	$3,136	-	$3,475
0.5% decrease in discount rate	$3,314	-	$3,681	-
Expected salary increase by 0.5%	$3,232	-	$3,598	-
Expected salary decrease by 0.5%	-	$3,090	-	$3,430

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

The above sensitivity analysis was conducted on the assumption that other assumptions remain unchanged, and when a single actuarial assumption (such as the discount rate or expected salary increase) experienced a reasonably possible change, the possible impact on the defined benefit obligations was analyzed. As some actuarial assumptions are associated with each other, it is rare that only a single actuarial assumption experiences a change in practice, so there are limitations in this analysis.

The methods and assumptions adopted in this sensitivity analysis for this period are the same as those adopted in the prior period.

10. Equity

(1) Common stock

As of December 31, 2024 and 2023, the Company authorized capital and issued capital were NT$1,400,000 thousand and NT$838,000 thousand, respectively. Each share at par of NT$10, divided into 83,800 thousand shares. Each share carries one voting rights and the right to receive dividends.

(2) Capital surplus

	December 31, 2024	December 31, 2023
Issued at premium	$88,865	$88,865
Others	12,374	12,374
Total	$101,239	$101,239

As per law, capital reserve shall not be used for any purpose except for making up for the Company’s losses. When the Company has no loss, a certain percentage of the income derived from the issuance of new shares at a premium and the income from endowments received by the company shall be applied to replenish the capital per year. The aforementioned capital reserve can be allocated in cash to shareholders in proportion to their shareholdings.

(3) Retained earnings and dividend policies

According to the Company's Articles of Incorporation, if there is a profit at the end of the year, it is to be distributed in the following order:

A. Payment of all taxes and dues.

B. Offset losses.

C. Set aside 10% of the remaining amount as legal reserve.

D. Set aside or reverse special reserve in accordance with law and regulations.

E. The remaining amount shall be added to the unallocated retained earnings from previous years. In accordance with the dividend policy, the Board of Directors shall prepare a profit distribution proposal to be submitted to the shareholders' meeting.

If the aforementioned shareholder dividends are to be distributed in cash, authorization is granted to the Board of Directors to proceed after achieving a quorum of more than two-thirds of the directors present and the approval of a majority of the attending directors. The decision shall report to the shareholders' meeting.

The Company's dividend distribution policy depends on factors of the Company's current and future investment environment, capital needs, domestic and international competition, and capital budgets, as well as shareholders' interest, dividend equalization, and the Company's long-term financial plan. The Board of Directors draws up a distribution proposal as per law and reports it to the shareholders' meeting per year. The distribution of shareholder dividends shall allocate not less than 50% of the available distributable earnings to shareholder each year. When distributing shareholder dividends, cash dividends shall be prioritized and it may also be issued in the form of share to shareholders. Accordingly, at least 50% of the dividends must be paid in the form of cash.

According to the Company Act, the legal reserve shall set aside until such amounts has reached to the total paid-in capital. Legal reserve may be utilized to offset losses. When the company incurs no loss, it may distribute the portion of legal reserve which exceeds 25% of the paid-in capital to shareholders in the form of issuing new shares or cash, in proportion to their existing shareholdings.

In accordance with the regulations, the company upon its first-time adoption of the IFRS for distributing distributable earnings, shall adjust the appropriation of special reserve based on the difference between the existing special reserves balance and the net amount of other deductions from equity. If subsequently there is any reversal of the net amount of other deductions from equity, the amount of the reversal may be reversed from special reserve and booked for earnings distribution.

The net other equity of the Company on December 31, 2022 was positive. Therefore, the earnings appropriation and distribution proposal in 2022 fully reversed the recognized special reserve.

The Company's Board of Directors meeting and general shareholders' meetings on March 11, 2025 and June 5, 2024, respectively, resolved on the 2024 and 2023 earnings appropriation and distribution proposal and the dividends per share, respectively. The details are as follows:

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

	Proposal for Appropriation and Distribution of Retained Earnings		Dividend Per Share (NT$)	
	2024	2023	2024	2023
Legal reserve (Note)	$48,006	$40,607		
Cash dividends on ordinary shares	$360,340	$360,340	$4.3	$4.3

Note: The amounts of legal reserve for 2024 are subject to approval by the annual shareholders' meeting as a resolution on May 29, 2025.

Please refer to Note (VI).14 for details on the basis of estimate and the recognized amounts for employees' compensation and remuneration to directors and supervisors.

11. Operating income

	2024	2023
Revenue from contracts with customers		
Revenue from the sale of goods	$4,577,592	$4,288,552
Other operating revenue	59,881	79,089
Total	$4,637,473	$4,367,641

The Group's revenue from customer contracts for 2024 and 2023 is as follows:

(1) Breakdown of revenue

2024

	Golf Equipment Department	Other Department	Total
Sale of goods	$4,229,235	$348,357	$4,577,592
Others	59,881	-	59,881
Total	$4,289,116	$348,357	$4,637,473
The timing for revenue recognition: at a point in time	$4,289,116	$348,357	$4,637,473

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

2023

	Golf Equipment Department	Other Department	Total
Sale of goods	$3,843,818	$444,734	$4,288,552
Others	79,089	-	79,089
Total	$3,922,907	$444,734	$4,367,641

The timing for revenue recognition: at a point in time	$3,922,907	$444,734	$4,367,641

(2) Transaction price is allocated to the remaining performance obligations yet to be fulfilled.

None.

(3) Assets recognized from the costs of obtaining or fulfilling customer contracts

None.

12. Expected credit losses

	2024	2023
Operating expense - Expected credit (gains) losses		
Accounts receivable	($1,209)	$1,856

Please refer to Note (XII) for further details on credit risk-related information.

The Group measures the loss allowance of its trade receivables (including notes receivable and accounts receivable) at an amount equal to lifetime expected credit losses. The assessment of loss allowance as of December 31, 2024 and 2023 are as follows:

December 31, 2024

		Days Overdue				
	Not Yet Due (Note)	Within 90 Days	91 - 180 Days	181 - 360 Days	Over 361 Days	Total
Total carrying amount	$658,741	$24,034	$-	$-	$-	$682,775
Loss ratio	0.10%	10.67%	-	-	-	
Lifetime expected credit losses	(651)	(2,564)	-	-	-	(3,215)
Subtotal	$658,090	$21,470	$-	$-	$-	$679,560
Carrying Amount						$679,560

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

December 31, 2023

	Not Yet Due (Note)	Days Overdue Within 90 Days	91 - 180 Days	181 - 360 Days	Over 361 Days	Total
Total carrying amount	$664,450	$15,835	$6,525	$-	$-	$686,810
Loss ratio	0.10%	10.00%	30.00%	-	-	
Lifetime expected credit losses	(695)	(1,583)	(1,958)	-	-	(4,236)
Subtotal	$663,755	$14,252	$4,567	$-	$-	$682,574
Carrying amount						$682,574

Note: The Group’s all notes receivable are not overdue.

The movements in the allowances for losses on the Group's notes and accounts receivable for 2024 and 2023 are as follows:

	Notes Receivable	Accounts Receivable
January 1, 2024	$-	$4,236
Reduced amount for the current period	-	(1,221)
Effects of movements in foreign exchange rates	-	200
December 31, 2024	$-	$3,215
January 1, 2023	$-	$2,420
Addition amount for the current period	-	1,856
Effects of movements in foreign exchange rates	-	(40)
December 31, 2023	$-	$4,236

13. Lease

The Group as a lessee

The Group leases various properties, including real estate (land, buildings, and structures) and machinery and equipment. Each lease terms range from 1 to 50 years.

The Group's leases effect on the financial position, financial performance and cash flows are as follows:

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

A. Amounts recognized in the balance sheet

(a) Right-of-use assets

Carrying amount of right-of-use assets

	December 31, 2024	December 31, 2023
Land	$53,206	$51,515
Buildings and structures	51,070	95,465
Transportation equipment	24	305
Total	$104,300	$147,285

The Group added right-of-use assets as of December 31, 2024 and 2023, amounted to NT$211 thousand and NT$75,816 thousand, respectively.

(b) Lease liabilities

	December 31, 2024	December 31, 2023
Lease liabilities	$55,632	$100,339
Current	$29,023	$48,220
Non-current	26,609	52,119
Total	$55,632	$100,339

Please refer to Note (VI).15 “Financial costs” for the details of interest expenses for the Group's lease liabilities in 2024 and 2023; please refer to Note (XII).5 “Liquidity risk management” for the details of the maturity analysis of lease liabilities.

B. Recognized amount in the statements of comprehensive income

Depreciation of right-of-use assets

	2024	2023
Land	$1,504	$1,464
Buildings and structures	47,922	45,422
Transportation equipment	281	282
Total	$49,707	$47,168

C. Income and expense related to the lessee's leasing activities

	2024	2023
Short-term leases expenses	$31	$156
Expense for leases of low-value assets (excluding the expense for short-term leases of low-value assets)	$-	$-

D. Cash outflows related to the lessee's leasing activities

The amounts of the Group's cash outflows from leasing activities during 2024 and 2023 were NT$51,823 thousand and NT$50,028 thousand, respectively.

E. Other information related to leasing activities

Options to extend and terminate the lease

Certain real estate lease agreements within the Group include options to extend the lease. When determining the lease term, the Group considers the non-cancellable period during which it has the right of use the underlying asset, along with the periods covered by options to extend or terminate the lease, depending on whether it is reasonably certain that these options will be exercised. The use of such options can greatly maximize the operational flexibility in managing agreements. The option to extend the lease can only be exercised by the Group. Following the commencement date, if significant events or substantial changes occur that are (within the lessee's control and affect whether the Group can reasonably determine to exercise an option not previously included in the determination of the lease term, or not to exercise an option previously included), the Group will reassess the lease term.

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

14. Summary of employee benefits, depreciation and amortization expenses by function is as follows:

By Function / By Nature	2024			2023		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expense						
Salaries expense	$730,500	141,052	$871,552	$753,575	143,034	$896,609
Labor and health insurance	$33,372	9,542	$42,914	$36,459	12,183	$48,642
Pension expense	$66,630	7,574	$74,204	$69,726	7,531	$77,257
Directors' remuneration	$-	15,055	$15,055	$-	14,238	$14,238
Other employee benefits expense	$45,270	11,621	$56,891	$45,471	9,933	$55,404
Depreciation expense	$138,733	25,127	$163,860	$143,858	22,562	$166,420
Amortization expense	$2,251	423	$2,674	$2,208	395	$2,603

According to the Company's Articles of Incorporation that if there is a profit for the year, 6.5% of profit shall be distributable as employees' compensation and no higher than 1.5% of profit may be distributable as remuneration to directors. However, if there are accumulated losses, the amount of the indemnity should be reserved in advance. Whether the aforementioned employee compensation in share or cash, shall be executed by a resolution of the Board of Directors, requiring the attendance and approval of more than two-thirds of the directors and a majority of the attending directors. This decision must also be reported to the shareholders' meeting. Please refer to "Market Observation Post System" on the Taiwan Stock Exchange website for details on the employees' compensation and directors remuneration approved by the Board of Directors.

The Company provided no lower than 6.5% and no higher than 1.5% of the profit for 2024 and 2023 as employee remuneration and director's remuneration, respectively. Any difference between the estimated amounts and the amounts paid out by the resolution of the Board of Directors will be recognized in profit or loss for the following year. If the Board of Directors resolves to pay out employee remuneration in stock, the number of shares paid out is counted based on the closing price of the day before the board meeting.

The Company's Board of Directors, on March 11, 2025, resolved to pay out 2024 employee remuneration and directors’ remuneration in cash in the amounts of NT$ 40,969 thousand and NT$9,454 thousand, respectively. Such amounts are not significantly different from those recognized in expenses in the 2024 financial statements.

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

There were no significant differences between the actual distributed amounts by the Company for employees' compensation and directors remuneration and the amount recorded as expenses in the financial statements for the year 2023.

15. Non-operating income and expenses

(1) Interest income

	2024	2023
Financial assets measured at amortized cost	$123,660	$113,391

(2) Other income

	2024	2023
Other income - others	$18,375	$15,373

(3) Other gains and losses

	2024	2023
Gain (loss) on disposal of property, plants and equipment	$1,349	$337
Net foreign currency exchange gain	44,142	42,409
Others	158	(8)
Total	$45,649	$42,738

(4) Finance costs

	2024	2023
Interest on bank loans	($5,548)	($7,529)
Interest on lease liabilities	(3,318)	(3,659)
Total	($8,866)	($11,188)

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

16. Components of other comprehensive income

The components of other comprehensive income for 2024 are as follows:

	Arising During the Period	Reclassification Adjustments During this Period	Other Comprehensive Income	Income Tax Benefit (Expense)	After-Tax Amount
Items not reclassified subsequently to profit or loss：					
Actuarial gains or losses on defined benefits	$7,223	$-	$7,223	($1,445)	$5,778
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating the financial statements of foreign operations	271,871	-	271,871	-	271,871
Unrealized gains or losses on debt instrument investments measured at fair value through other comprehensive income	1,219	-	1,219	(244)	975
Total	$280,313	$-	$280,313	($1,689)	$278,624

The components of other comprehensive income for 2023 are as follows:

	Arising During the Period	Reclassification Adjustments During this Period	Other Comprehensive Income	Income Tax Benefit (Expense)	After-Tax Amount
Items not reclassified subsequently to profit or loss：					
Actuarial gains or losses on defined benefits	($559)	$-	($559)	$112	($447)
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating the financial statements of foreign operations	(30,936)	-	(30,936)	-	(30,936)
Unrealized gains or losses on debt instrument investments measured at fair value through other comprehensive income	7,650	-	7,650	(1,530)	6,120
Total	($23,845)	$-	($23,845)	($1,418)	($25,263)

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

17. Income tax

(1) The main components of income tax expenses (benefits) are as follows:

Income Tax Recognized in Profit or Loss

	2024	2023
Current tax expense (benefits):		
Current tax payable	$150,954	$180,206
Adjustments in respect of current tax of prior periods	557	9
Deferred tax expense (benefits):		
Deferred tax expense (benefit) related to the originated and reversal of temporary differences	(45,930)	(44,149)
Income tax expense	$105,581	$136,066

Income Tax Recognized in Other Comprehensive Income

	2024	2023
Deferred tax expense (benefits):		
Remeasurement of defined benefit plans	$1,445	($112)
Unrealized gains or losses on debt instrument investments measured at fair value through other comprehensive income	244	1,530
Income tax related to components of other comprehensive income	$1,689	$1,418

(2) The amount of income tax expense and accounting profit multiplied by the applicable income tax rate is adjusted as follows:

	2024	2023
Net income before tax of the continuing operations	$579,864	$542,586
Income tax counted at the statutory income tax rate that applies to the parent company	$115,973	$112,077
Income tax effect of tax-free income	30,162	5,201
Income tax effect of non-deductible expenses on tax returns	67	32,806
Adjustments in respect of current tax of prior periods	557	9
Other income tax effects adjusted as per tax laws	(41,178)	(14,027)
Total income tax expense recognized in profit or loss	$105,581	$136,066

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

(3) Balance of deferred tax assets (liabilities) related to the items below:

	2024				
	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Effects of Changes in Foreign Exchange Rates	Ending Balance
Temporary differences					
Inventory valuation losses	$5,441	($182)	$-	$-	$5,259
Share of profit or loss of subsidiaries recognized	(153,910)	55,227	-	-	(98,683)
Net defined benefit liabilities - non-current	1,082	(310)	(1,445)	-	(673)
Land value increment tax (Note)	(3,914)	-	-	-	(3,914)
Investment in debt instrument	5,089	-	(244)	-	4,845
Unused tax losses	9,457	-	-	493	9,950
Others	(3,465)	(8,805)	-	-	(12,270)
Deferred tax (expense) benefit		$45,930	($1,689)	$493	
Deferred tax assets/liabilities, net	($140,220)				($95,486)
The information presented in the balance sheet is as follows:					
Deferred tax assets	$21,114				$20,090
Deferred tax liabilities	($161,334)				($115,576)

	2023				
	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Effects of Changes in Foreign Exchange Rates	Ending Balance
Temporary differences					
Inventory valuation losses	$8,744	($3,303)	$-	$-	$5,441
Share of profit or loss of subsidiaries recognized	(198,624)	44,714	-	-	(153,910)
Net defined benefit liabilities - non-current	1,282	(312)	112	-	1,082
Land value increment tax (Note)	(3,914)	-	-	-	(3,914)
Investment in debt instrument	6,619	-	(1,530)	-	5,089
Unused tax losses	9,619	-	-	(162)	9,457
Others	(6,515)	3,050	-	-	(3,465)
Deferred tax (expense) benefit		$44,149	($1,418)	($162)	
Deferred tax assets/liabilities, net	($182,789)				($140,220)
The information presented in the balance sheet is as follows:					
Deferred tax assets	$26,322				$21,114
Deferred tax liabilities	($209,111)				($161,334)

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

Note: In accordance with the tax law of the Republic of China, income from land transactions made before January 1, 2016 is exempted for taxation, but at the time of transfer, where the present value for the transfer exceeds the initially stipulated land price or the value recorded for the prior transfer, a land value increment tax shall be levied on the amount in excess of the price/value, less all expenses paid by the landowner for land improvements, which falls within the scope of IAS 12 "Income Taxes". As of December 31, 2024 and 2023, as per the above regulations, the amount of the deferred tax - land value increment tax recognized is NT$3,914 thousand.

(4) Information on unrecognized deferred tax liabilities related to investments

As of December 31, 2024 and 2023, the Company and investees' taxable temporary differences related to, but had yet to be recognized as, deferred tax liabilities amounted to NT$784,098 thousand and NT$759,034 thousand, respectively.

(5) Income Tax Filing and Assessment

As of December 31, 2024, the income tax return filings and approval by the Company and its subsidiaries are as follows:

	Income Tax Filing and Assessment
The Company	Assessed up to the fiscal year 2022
Subsidiary - O-TA Golf Group Co., Ltd.	The income tax return for 2023 was filed.
Sub-subsidiary - Jiangxi O-TA Precision Technology Co., Ltd.	The income tax return for 2023 was filed.
Sub-subsidiary- Harvest Fair International Limited	The income tax return for 2023 was filed.
Sub-subsidiary - VGT Composite Technology (Huizhou) Co., Ltd.	The income tax return for 2023 was filed.

18. Earnings per share

Basic earnings per share are calculated by dividing net profit for the period attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary equity holders of the parent company (after adjusting the interest of corporate bond) by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

	2024	2023
(1) Basic earnings per share		
Net profit attributable to ordinary equity holders of the parent company (in thousand NT$)	$474,283	$406,520
Weighted average number of ordinary shares for basic earnings per share (in thousand shares)	83,800	83,800
Basic earnings per share (NT$)	$5.66	$4.85
(2) Diluted earnings per share		
Net profit attributable to ordinary equity holders of the parent company (in thousand NT$)	$474,283	$406,520
Weighted average number of ordinary shares for basic earnings per share (in thousand shares)	83,800	83,800
Dilutive effect:		
Employee compensation - share (in thousand shares)	554	422
Weighted average number of ordinary shares after dilution (in thousand shares)	84,354	84,222
Diluted earnings per share (NT$)	$5.62	$4.83

There have been no other transactions involving that would significantly change the number of ordinary shares outstanding or potential ordinary shares between the reporting date and the date the financial statements were approved for issue.

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

(VII) Transactions with Related Parties

Information of the related parties that had transactions with the Group during the financial reporting period is as follows:

Name and Nature of Relationship of the Related Parties

Name of the Related Parties	Nature of Relationship of the Related Parties
TAGA Co., Ltd. (TAGA)	Other related parties
LEE, KUNG-WEN and other people	Major management personnel of the Group

Significant Transactions with Related Parties

1. Sales

	2024	2023
TAGA	$253,152	$373,095

The sale price of goods sold by the Group to related parties are based on general sale conditions with a payment term of 60 days.

2. Purchase

	2024	2023
TAGA	$332	$1,846

The Group's purchase from related parties are conducted under general procurement conditions with a payment term set at two months after acceptance of the goods.

3. Accounts receivable - related parties

	December 31, 2024	December 31, 2023
TAGA	$8,504	$26,027
Deduct: Allowance for impairment loss	(9)	(27)
Net amount	$8,495	$26,000

4. Other receivables - related parties

	December 31, 2024	December 31, 2023
TAGA	$1	$-

5. Accounts payable - related parties

	December 31, 2024	December 31, 2023
TAGA	$74	$7

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

6. Major management personnel compensation of the Group

	2024	2023
Short-term employee benefits	$38,390	$36,844

7. Others

(1) The freight and other expenses paid to other related parties during 2024 and 2023 were NT$808 thousand and NT$3,631 thousand, respectively, which were recognized in overhead.

(2) The income for transport services received from other related parties during 2024 and 2023 were NT$32 thousand and NT$214 thousand, respectively, which were recognized in other income.

(VIII) Pledged Assets

The Group has the following assets under pledged:

	Carrying Amount		
Item	December 31, 2024	December 31, 2023	Content of Secured Debt
Other current assets - other financial assets	$500	$500	Import tariff

(IX) Significant Contingent Liabilities and Unrecognized Commitments

As of December 31, 2024 and 2023, the information on important contracts signed by the Group for purchase of equipment and a renovation project was as follows:

	December 31, 2024		December 31, 2023	
Item	Contract Amount	Unpaid Amount	Contract Amount	Unpaid Amount
Equipment purchases	$26,834	$15,816	$19,679	$11,650
Renovation project	429,218	85,842	399,488	221,583
Total	$456,052	$101,658	$419,167	$233,233

(X) Significant Losses Attributed to Critical Incidents or Disasters

Not applicable.

(XI) Critical Events after the Reporting Date

Not applicable.

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

(XII) Others

1. Categories of financial instruments

Financial Assets

	December 31, 2024	December 31, 2023
Financial asset measured at fair value through other comprehensive income	$95,867	$94,648
Financial assets measured at amortized cost:		
Cash and cash equivalents (excluding cash on hand)	2,754,864	2,654,521
Notes receivable	50	-
Accounts receivable (including related parties)	679,510	682,574
Other receivables (including related parties)	38,941	40,973
Other financial assets - current	500	500
Other non-current assets- refundable deposits	10,485	10,317
Subtotal	3,484,350	3,388,885
Total	$3,580,217	$3,483,533

Financial Liabilities

	December 31, 2024	December 31, 2023
Financial liabilities measured at amortized cost:		
Short-term borrowings	$335,000	$450,000
Payables (including related parties)	561,224	583,241
Other non-current liabilities- deposits received	228	433
Total	$896,452	$1,033,674

2. Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to is operating activates. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appreciate polices, procedures and internal controls to manage the aforementioned financial risk in accordance with relevant regulations. The Board of Directors and Audit committee must carry out due approval process based on related protocols and internal control procedures before the significant transactions. During the execution of financial management activities, The Group complies with its financial risk management policies at all times.

3. Market risk

Market risk for the Group arises from fluctuations in fair value or cash flows of financial instruments due to the changes in market prices. Market risk primarily includes exchange rate risk, interest rate risk, and other price risks (such as equity instruments).

In practice, it is rarely the case that a single risk variable to change in isolation, and the changes in various risk variables are usually correlated. However, the sensitivity analyses disclosed below does not take into account the interdependencies between risk variables.

Exchange Rate Risk

The Group's exchange rate risk primarily relates to operating activities (when the currency used for revenues or expenses differs from the Group's functional currency) and the net investments in foreign operations.

The Group's foreign currency receivables and foreign currency payables are partially in the same currency. Thus, there will be a natural hedging effect for a part of the foreign currency position. The exchange rate risk of some foreign currency payments is managed through forward exchange agreements. The above natural hedging effect and the management of exchange rate risk through forward exchange agreements do not meet the requirement of hedging accounting, so hedging accounting has not been adopted; also, the net investment in foreign operations is a strategic investment, so the Group has not adopted a hedging approach thereto.

The Group's sensitivity analysis of exchange rate risk primarily targets the major foreign currency monetary items at the end of the financial reporting period. The analysis focuses on the impact of appreciation or depreciation of these currencies on the Group's profits and equity. The Group's exchange rate risk is primarily influenced by fluctuations in the USD and EUR exchange rates. The sensitivity analysis is as follows:

When the NTD appreciates/depreciates by 1% against the USD, the Group’s profit or loss for the year ended in 2024 and 2023 would have decreased/increased by NT$16,834 thousand and NT$18,976 thousand, respectively.

Interest Rate Risk

Interest rate risk arises from fluctuations in market interest rates that affect the fair value or future cash flows of financial instruments. The Group's interest rate risk primarily originates from investments in floating-rate debt instruments, fixed-rate borrowings, and floating-rate loans.

The Group manages interest rate risk by maintaining an appropriate mix of fixed and floating rate exposures. However, as it does not meet the requirements for hedge accounting, hedge accounting is not applied.

The sensitivity analysis of the Group's interest rate risk was mainly focused on investments and borrowings at floating rates at the end date of the financial reporting period. With an assumption that such investments and borrowings are held for one fiscal year, when the interest rate increases/decreases by 0.1%, the Group's 2024 and 2023 profit or loss would have increased/decreased by NT$2,420 thousand and NT$2,206 thousand, respectively.

Equity Price Risk

The Group manages the price risk of equity securities by diversifying investments and setting limits on both individual and overall equity securities investments. Information on the portfolio of equity securities investments must be regularly provided to the senior management of the Group. The Board of Directors is required to review and approve all decisions related to equity securities investments.

4. Credit risk management

Credit risk refers to the risk of financial loss when a counterparty fails to fulfill its contractual obligations. The Group's credit risk arises primarily from operating activities (mainly accounts receivable and notes receivable) and financial activities (primarily bank deposits and various financial instruments).

Each unit within the Group manages credit risk in accordance with established policies, procedures, and controls related to credit risk. The assessment of credit risk for all counterparties involves a comprehensive consideration of factors such as the financial condition of the counterparty, ratings from credit rating agencies, historical transaction experience, the current economic environment, and the Group's internal credit rating standards. The Group also employs certain credit enhancement procedures (such as advance payments and insurance) at appropriate times to mitigate credit risk associated with specific counterparties.

As of December 31, 2024, and 2023, the receivables from the Group's top ten customers accounted for 98%, and 96% of the total receivables, respectively. The credit concentration risk associated with the remaining receivables is relatively insignificant.

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

The Group's Finance Division manages the credit risk associated with bank deposits and other financial instruments in accordance with the Group policies. Since the Group's counterparties are determined through internal control procedures and consist of well-credited banks, financial institutions, companies, and government agencies with investment-grade ratings, therefore, there is no significant credit risk.

5. Liquidity risk management

The Group maintains financial flexibility through cash and cash equivalents, highly liquid securities, and bank loans. The table below summarizes the maturity of the Group's non-derivative financial liabilities based on the earliest possible repayment dates. It is prepared using the undiscounted cash flows, which include agreed-upon interest payments. For interest payments made at floating rates, the undiscounted amounts of interest are derived using the yield curve at the end of the reporting period.

Non-Derivative Financial Liabilities

	Less than One Year	Two to Three Years	Four to Five Years	Over Five Years	Total
December 31, 2024					
Loan	$336,119	-	-	-	$336,119
Payables	$561,120	-	-	-	$561,120
Lease liabilities	$30,579	27,814	-	-	$58,393
December 31, 2023					
Loan	$451,217	-	-	-	$451,217
Payables	$583,063	-	-	-	$583,063
Lease liabilities	$51,589	47,444	14,068	-	$113,101

6. Reconciliation of liabilities arising from financing activities

Information on reconciliation of liabilities for the year ended December 31, 2024:

	Short-Term Borrowings	Lease Liabilities	From Financing Activities Total Liabilities
January 1, 2024	$450,000	$100,339	$550,339
Cash flows	(115,000)	(51,792)	(166,792)
Non-cash changes	-	7,085	7,085
December 31, 2024	$335,000	$55,632	$390,632

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

Information on reconciliation of liabilities for the year ended December 31, 2023:

	Short-Term Borrowings	Lease Liabilities	From Financing Activities Total Liabilities
January 1, 2023	$440,000	$74,784	$514,784
Cash flows	10,000	(49,872)	(39,872)
Non-cash changes	-	75,427	75,427
December 31, 2023	$450,000	$100,339	$550,339

7. Fair Value of Financial Instruments

(1) The methods and assumptions applied in the fair value

Fair Value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The methods and assumptions used by the Group for estimating the fair value of financial assets and financial liabilities are as follows:

A. The carrying amounts of cash and cash equivalents, receivables, payables, and other current liabilities are considered reasonable approximations of their fair values, primarily due to the short maturity of these instruments.

B. For financial assets and liabilities that are traded in active markets with standard terms and conditions, their fair values are determined by referencing market quotations (including listed TWSE/TPEx stocks and bonds, etc.)

C. The fair value of equity instruments without active market transactions (stocks of non-public companies) is estimated by using the market method based on the company's self-assessed statements, prices of market transactions of equity instruments of the same or comparable companies, and other relevant information (i.e., discounts for lack of marketability, price-earnings ratio of similar companies’ stocks, price-book ratio of similar companies’ stocks, and other inputs)

D. For debt instrument investments, bank borrowings, and other non-current liabilities that do not have active market quotes, fair value is determined using counterparty quotes or valuation techniques. These techniques are primarily based on discounted cash flow analysis, with interest rates and discount rates assumptions largely drawn from relevant information on similar instruments (such as the yield curves from the Taipei Exchange, average commercial paper rates from Reuters, and credit risk considerations).

(2) Fair value of financial instruments measured at amortized cost

The carrying amounts of the Group's financial assets and financial liabilities measured at amortized cost approximate their fair values.

(3) Fair value hierarchy for financial instruments

Please refer to Note (XII).8 for fair value hierarchy for financial instruments of the Group.

8. Fair value hierarchy

(1) Define fair value hierarchy

All assets and liabilities measured or disclosed at fair value are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Each level inputs are as follows:

Level 1: Quoted market prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

For assets and liabilities that are recognized on a recurring basis in the financial statements, their classification is reassessed at the end of each reporting period to determine if transfers between different levels of the fair value hierarchy have occurred.

(2) Fair value measurement hierarchy

The Group does not have any non-recurring assets measured at fair value. The fair value hierarchy information for recurring assets and liabilities is as follows: ︰

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Measured at fair value through other comprehensive income				
Unlisted TWSE/TPEx company equity investment	$-	-	1,800	$1,800
International corporate bond investment	$94,067	-	-	$94,067

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Measured at fair value through other comprehensive income				
Unlisted TWSE/TPEx company equity investment	$-	-	1,800	$1,800
International corporate bond investment	$92,848	-	-	$92,848

Transfers between Level 1 and Level 2 of Fair Value Hierarchy

From January 1 to December 31, 2024 and 2023, there were no transfers between Level 1 and Level 2 of fair value hierarchy for the Group's recurring fair value measured assets and liabilities.

Changes in Level 3 of Recurring Fair Value Hierarchy

During January 1 to December 31, 2024 and 2023, the Group's recurring fair value measured assets and liabilities classified as Level 3 of fair value hierarchy remained unchanged at NT$1,800 thousand.

9. Significant impact on financial assets and liabilities in foreign currencies

Information regarding the significant impact on financial assets and liabilities in foreign currencies of the Group is listed below:

Amount Unit: NT$ thousand

	December 31, 2024		
	Foreign Currencies	Exchange Rate	NTD
Financial assets			
Monetary items:			
USD	$53,554	32.7348	$1,753,096
JPY	$7,187	0.2088	$1,501
HKD	$877	4.2121	$3,695
Financial liabilities			
Monetary items:			
USD	$2,131	32.7133	$69,708
JPY	$935	0.2079	$194
HKD	$1,155	3.6531	$4,220

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

	December 31, 2023		
	Foreign Currencies	Exchange Rate	NTD
Financial assets			
Monetary items:			
USD	$64,676	30.6550	$1,982,654
JPY	$7,266	0.2152	$1,564
HKD	$555	3.9259	$2,179
Financial liabilities			
Monetary items:			
USD	$2,774	30.6800	$85,101
JPY	$646	0.2152	$139
HKD	$1,056	3.6944	$3,900

The aforementioned information is disclosed based on the carrying amounts of foreign currency (after conversion to functional currency).

Due to the diverse range of functional currencies used by the Group's entities, it is not feasible to disclose exchange gain or loss information for monetary financial assets and liabilities by each significantly impacting foreign currency. The Group's foreign currency exchange gains (losses) during the years ended December 31, 2024 and 2023 were $44,142 thousand and NT$42,409 thousand, respectively.

10. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support business operations and maximize shareholder equity. The Group manages its capital structure and make adjustments in light of changes in economic conditions. This may achieved by adjusting dividend payments, returning capital, or issuing new shares to maintain and adjust the capital structure as needed.

(XIII) Supplementary Disclosures

1. Related information on significant transactions and investees

   (1) Financing provided to others: Please refer to Table 1.

   (2) Endorsement/Guarantee provided to others: None.

   (3) Status of marketable securities held at the end of the period: Please refer to Table 2.

   (4) Individual marketable securities acquired or disposed of with costs or prices exceeding the lower of NT$300 million or 20% of the paid-in capital: None.

   (5) Acquisition of individual real estate at costs exceeding the lower of NT$300 million or 20% of the paid-in capital: None.

   (6) Disposal of individual real estate at costs exceeding the lower of NT$300 million or 20% of the paid-in capital: None.

   (7) Total purchases from or sales to related parties with costs exceeding the lower of NT$100 million or 20% of the paid-in capital: Please refer to Table 3.

   (8) Receivables from related parties with costs exceeding the lower of NT$100 million or 20% of the paid-in capital: Please refer to Table 4.

   (9) For those who have significant influence or control over the investee companies either directly or indirectly (excluding investment in China): Please refer to Table 5.

   (10) Engagement in derivative transactions: None.

   (11) Other: Significant intercompany transactions between the parent with subsidiaries or among subsidiaries: Please refer to Table 7.

2. Information on investments in China: Please refer to Table 6.

3. Information on major shareholders: Please refer to Table 8.

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

(XIV) Department Information

For management purposes, the Group is organized into business units based on their products and services and has two reportable operating departments as follows:

1. Golf Equipment Department: Responsible for the manufacturing, processing, and sales of golf club heads, shafts, and golf equipment.
2. Other Department: Responsible for the manufacturing and sales of bicycles and plumbing parts.

Management monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment.

Department performance is evaluated based on operating profit or loss before tax and is measured based on accounting policies of the reportable department is consistent with those in the summary of the Group's significant accounting policies. However, the assets, liabilities, and income taxes in the consolidated financial statements are managed on the Group basis and are not allocated to the operating departments.

The transfer pricing between operating departments is based on the arm's length transactions that are similar to those conducted with external third parties.

1. Department Profit or Loss Information

2024

	Golf Equipment Department	Other Department	Adjustments and Eliminations	Total
Revenue				
Revenues from external customers	$4,289,116	$348,357	$-	$4,637,473
Inter-segment revenue (Note)	-	332,163	(332,163)	-
Total revenue	$4,289,116	$680,520	($332,163)	$4,637,473
Segment profit or loss	$432,040	$42,243	$-	$474,283

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

2023

	Golf Equipment Department	Other Department	Adjustments and Eliminations	Total
Revenue				
Revenues from external customers	$3,922,907	$444,734	$-	$4,367,641
Inter-segment revenue (Note)	-	415,711	(415,711)	-
Total revenue	$3,922,907	$860,445	($415,711)	$4,367,641
Segment profit or loss	$349,151	$57,369	$-	$406,520

Note: Inter-segment revenues are eliminated upon consolidation and recorded under the "Adjustments and eliminations" column.

2. Information by region

(1) Revenues from external customers：

	2024	2023
The Americas	$2,449,762	$2,219,277
Asia	1,392,051	1,565,702
Europe	705,782	526,148
Other countries	89,878	56,514
Total	$4,637,473	$4,367,641

(2) Non-current assets:

	December 31, 2024	December 31, 2023
Asia	$1,157,492	$1,016,901

3. Information on important customers

Whereas the Group's net sales to a single customer accounted for at least 10% of the consolidated net sales revenue for 2024 or 2023, the details are as follows:

	2024		2023	
Client Name	Amount	%	Amount	%
Company A	$1,496,307	32%	$1,083,031	25%
Company B	Not applicable (Note)	Not applicable	$474,462	11%
Company C	Not applicable (Note)	Not applicable	$452,308	10%

Note: Revenue falls below 10% of the Group's total revenue.

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

Table 1
Financing Provided to Others:

No.	Lender	Borrower	Financial Statement Account	Related Party (Yes/No)	Maximum Amount for the Current Period (Note 1)	Ending Balance (Note 2)	Actual Borrowing Amount (Note 3)	Interest Rate Range	Nature of Financing (Note 4)	Business Transaction Amount	Reasons of the Need for Short-Term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 5)	Aggregate Financing Limit (Note 5)
													Name	Value		
1	O-TA Golf Group Co., Ltd.	Harvest Fair International Limited	Other receivables - related parties	Y	$327,350	$327,350	$-	-	2	-	Business turnover	$-	-	$-	$4,808,859	$4,808,859
1	O-TA Golf Group Co., Ltd.	Jiangxi O-TA Precision Technology Co., Ltd.	Other receivables - related parties	Y	$327,350	$327,350	$299,263	-	2	-	Business turnover	$-	-	$-	$4,808,859	$4,808,859
1	O-TA Golf Group Co., Ltd.	VGT Composite Technology (Huizhou) Co., Ltd.	Other receivables - related parties	Y	$32,735	$32,735	$-	-	2	-	Business turnover	$-	-	$-	$4,808,859	$4,808,859
2	Harvest Fair International Limited	Jiangxi O-TA Precision Technology Co., Ltd.	Prepayment for purchases - related parties	Y	$327,350	$327,350	$-	-	2	-	Business turnover	$-	-	$-	$3,449,938	$3,449,938

Note 1: The limit was authorized by the Board of Directors on February 25, 2020.

Note 2: The ending balance for disclosure and reporting purposes is based on the financing limit.

Note 3: The transactions were written off when preparing the consolidated financial statements.

Note 4: The need for short-term financing.

Note 5: According to the “Operational Procedures for Loaning Funds to Others” of the subsidiaries O-TA BVI (dated May 12, 2020) and Harvest Fair (dated May 12, 2020), when there is a necessity for financing between foreign companies that are 100% directly or indirectly owned by the parent company, the total financing amount and the individual lending amount shall not exceed the net worth of O-TA BVI and five times the net worth of Harvest Fair, respectively.

Table 2

Status of Marketable Securities Held at the End of the Period (Excluding Investments in Subsidiaries, Affiliated Enterprises, and Joint Ventures):

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Marketable Securities Issuer	Financial Statement Account	End of the Period				Note
				Shares (Unit)	Carrying Amount	Percentage of Ownership	Fair Value	
O-TA Precision Industry Co., Ltd.	Stock - ChiChin Art Ceramics Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	174,000 shares	$1,800	6.00%	$1,800	-
O-TA Precision Industry Co., Ltd.	Bonds - AT&T USD Corporate Bond	-	Financial assets at fair value through other comprehensive income - non-current	-	$94,067	-	$94,067	-

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

Table 3
Total Purchases from or Sales to Related Parties with Costs Exceeding the Lower of NT$100 Million or 20% of the Paid-in Capital:

Buyer/Seller	Name of Counterparty	Relationship	Transaction Details				Payment Terms and Reason for Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Sales (Purchases)	Amount	Ratio to Total Sales (Purchases)	Credit Terms	Unit Price	Credit Terms	Balance	Ratio to Total Notes/Accounts Receivable (Payable)	
O-TA Precision Industry Co., Ltd.	Harvest Fair International Limited	Second-tier subsidiary 100% owned by the Company	Purchase	$3,337,614	64.54%	1 to 2 months after purchase	Purchases from the second-tier subsidiary are priced based on a fixed percentage of the resale price	Credit terms are the same	($2,291,360)	44.31%	(Note)
Harvest Fair International Limited	O-TA Precision Industry Co., Ltd.	Parent company of this company	Sales	$3,337,614	40.18%	1 to 2 months after sales	Selling products at a fixed percentage of the resale price from O-TA	Credit terms are the same	$2,291,360	42.36%	(Note)
Harvest Fair International Limited	VGT Composite Technology (Huizhou) Co., Ltd.	Its parent company is same as that of the Company.	Purchase	$332,163	6.42%	Within 1 month after purchase	Products were purchased from VGT at 90% of the resale price, based on a pricing method tied to the resale price.	No other similar transactions available for comparison	($156,125)	3.02%	(Note)
VGT Composite Technology (Huizhou) Co., Ltd.	Harvest Fair International Limited	Its parent company is same as that of the Company.	Sales	$332,163	4.00%	Within 1 month after sales	Products were sold at 90% of Harvest Fair's resale price, based on the same resale price-based pricing method.	No other similar transactions available for comparison	$156,125	2.89%	(Note)
O-TA Precision Industry Co., Ltd.	TAGA Co., Ltd.	The person in charge is a relative within the second degree of kinship to the Vice Chairman of the Company.	Sales	$249,907	5.39%	2 months after sales	All transactions are conducted at market price	Credit terms are the same	$6,376	0.94%	-

Note: The transactions were written off when preparing the consolidated financial statements.

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

Table 4
Receivables from Related Parties with Costs Exceeding the Lower of NT$100 Million or 20% of the Paid-in Capital:

Companies Recorded as Accounts Receivable	Name of Counterparty	Relationship	Balance of Receivable from Related Parties	Turnover Rate (Times)	Overdue Receivables from Related Parties		Amount of Receivables from Related Parties Collected Subsequent Period	Allowance for Impairment Loss
					Amount	Treatment Method		
O-TA Precision Industry Co., Ltd.	Harvest Fair International Limited	A second-tier subsidiary wholly owned (100%) by the company.	Other receivables $288,181	(Note)	$-	-	$111,441	$-
Harvest Fair International Limited	O-TA Precision Industry Co., Ltd.	A second-tier subsidiary wholly owned (100%) by the company.	Accounts receivable $2,291,360	1.37	$-	-	$565,148	$-
Harvest Fair International Limited	Jiangxi O-TA Precision Technology Co., Ltd.	Affiliated enterprises of the Company	Other receivables $208,810	(Note)	$-	-	$104,277	$-
Jiangxi O-TA Precision Technology Co., Ltd.	Harvest Fair International Limited	Affiliated enterprises of the Company	Accounts receivable $2,281,871	1.36	$-	-	$556,266	$-
VGT Composite Technology (Huizhou) Co., Ltd.	Harvest Fair International Limited	Affiliated enterprises of the Company	Accounts receivable $156,125	3.17	$-	-	$52,617	$-

Note: These amounts remain uncollected as of the end of the period and pertain to purchases of tooling, raw materials, and operational expenses advanced on behalf of the subsidiary. As these are not related to sales, the turnover ratio cannot be calculated.

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

Table 5
Name, Location...etc of Investee Companies (Excluding Investee Companies in China):

Name of Investment Company	Name of Investee Company	Location	Primary Business Content	Original Investment Amount		Held at the End of the Period			Current Net Profit or Loss of the Investee Company	Recognized Investment Gain or Loss for the Current Period	Note
				End of the Current Period	End of Last Year	Shares	Ratio	Carrying Amount			
O-TA Precision Industry Co., Ltd.	O-TA Golf Group Co., Ltd. (abbreviated as O-TA BVI.)	British Virgin Islands	Engages in the trading and investment business of golf club heads	$204,238	$204,238	50,000 shares	100%	$4,806,710	($151,226)	($150,811)	(Notes 1, 2, 3)
O-TA BVI.	Harvest Fair International Limited	Hong Kong	Engages in the trading business of golf club heads and bicycle parts	USD 154,211	USD 154,211	10,000 shares	100%	$689,988 (USD 21,077,976)	$91,157 (USD 2,835,601)	$91,157 (USD 2,835,601)	(Note 3)

Note 1: Current net profits or losses of its subsidiaries Harvest Fair, Jiangxi O-TA, and VGT have been consolidated.
Note 2: Including unrealized gains and losses among companies.
Note 3: The transactions were written off when preparing the consolidated statements.

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

Table 6

Details of the Investee Companies in China are as Follows:

Name of Investee Company in China	Primary Business Content	Paid-in Capital	Investment Method	Accumulated Outward Remittance for Investment from Taiwan at the Beginning of the Current Period	Current Investment Amount Remitted or Repatriated		Accumulated Outward Remittance for Investment from Taiwan at the End of the Current Period	Current Net Profit or Loss of the Investee Company	Ownership Percentage of Direct or Indirect Investment	Current Investment Gain or Loss (Note 2)	Carrying Amount of Investment at the End of the Period (Note 3)	Accumulated Repatriation of Investment Income as of the End of the Current Period
					Outflow	Inflow						
Jiangxi O-TA Precision Technology Co., Ltd.(Jiangxi O-TA)	Engaged in the production and sales of golf club heads, shafts, golf equipment, and plumbing components.	USD 20,000,000	(Note 1)	$45,383 (USD 1,500,000)	$-	$-	$45,383 (USD 1,500,000)	($276,130) (USD -8,561,428)	100%	($276,130) (USD -8,561,428)	$2,994,174 (USD 91,467,068)	$-
VGT Composite Technology (Huizhou) Co., Ltd. (VGT)	Engaged in the production of carbon fiber composites, bicycle components, and related manufacturing businesses.	USD 3,000,000	(Note 1)	$-	$-	$-	$-	$65,003 (USD 2,027,213)	100%	$65,003 (USD 2,027,213)	$229,461 (USD 7,009,640)	$-

Accumulated Outward Remittance for Investment from Taiwan to China at the End of the Current Period (Note 4)	Investment Amounts Authorized by Investment Commission of the Ministry of Economic Affairs(Note 5)	Investment Limit for China as Stipulated by the Investment Commission of Ministry of Economic Affairs
165,239 (USD 5,300,000)	USD 48,744,250	(Note 6)

Note 1: Investment in China companies is made through O-TA BVI., which was established via investment from a third-party region.

Note 2: Calculations are based on the financial statements of the investee companies that have been audited by the Company's certified public accountant.

Note 3: O-TA Golf Group Co., Ltd. (abbreviated as O-TA BVI.) used its own funds to reinvest USD 18,500,000 in Jiangxi O-TA and USD 3,000,000 in VGT.

Note 4: This includes the disposed investment in Qilitian amounting to NT$119,856 thousand (USD 3,800,000).

Note 5: The approved reinvestment amount for indirect investments in China through O-TA BVI. (including funds actually remitted from Taiwan by the Company and O-TA BVI.'s own funds), included USD 20,000,000 for Jiangxi O-TA with a 100% shareholding, USD 3,000,000 for VGT with a 100% shareholding, and the total investme amount of USD 25,744,250 for Qilitian, Santian, and INDA, whose equity has been sold and company deregistration completed. The total approved investment amount was USD 48,744,250.

Note 6: Since the Company obtained a certificate issued by the Industrial Development Bureau of the Ministry of Economic Affairs certifying compliance with the scope of operations of the headquarters, therefore, the investment limit is not subject to the proportional limit set by the Ministry of Economic Affairs' Financial-Supervisory-Securities-Auditing-letter No. 09704604680 dated August 29, 2008.

(All amounts are in thousands of New Taiwan dollars, unless otherwise stated)

Table 7
Intercompany Relationships and Significant Intercompany Transactions from January 1, 2024, to December 31, 2024

Number (Note 1)	Name of the Counterparty	Transaction Counterparty	Relationship with the Counterparty (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Transaction Terms	Percentage of Consolidated Total Revenue or Total Assets (Note 3)
0	O-TA Precision Industry Co., Ltd.	Harvest Fair International Limited	1	Other receivables - related parties	$288,181	The ending receivable amounts for the procurement of tooling, raw materials, and semi-finished products are collected from Harvest Fair at the original price.	5.37%
0	O-TA Precision Industry Co., Ltd.	Harvest Fair International Limited	1	Accounts payable - related parties	$2,291,360	The ending payable amounts for the purchased goods are expected to be paid in principle within January to February.	42.70%
0	O-TA Precision Industry Co., Ltd.	Harvest Fair International Limited	1	Purchase	$3,337,614	According to the contract pricing agreed upon by both parties, Harvest Fair purchases from Jiangxi O- TA and makes the payment to Jiangxi O-TA directly.	71.97%
1	O-TA BVI.	Jiangxi O-TA Precision Technology Co., Ltd.	1	Other receivables - related parties	$299,263	The outstanding receivables for financial loans at the end of the period are collected in full, including principal and interest, upon maturity.	5.58%
2	Harvest Fair International Limited	O-TA Precision Industry Co., Ltd.	2	Sales revenue	$66,748	Priced according to the sales contract agreed upon by the Company, Harvest Fair, and Jiangxi O-TA.	1.44%
2	Harvest Fair International Limited	Jiangxi O-TA Precision Technology Co., Ltd.	3	Other receivables - related parties	$208,810	The ending receivable amounts for the procurement of raw materials and semi-finished products are collected based on the financial condition of Jiangxi O-TA.	3.89%
2	Harvest Fair International Limited	Jiangxi O-TA Precision Technology Co., Ltd.	3	Accounts payable - related parties	$2,281,871	The outstanding payments for purchases at the end of the period are made based on the financial condition of Jiangxi O-TA.	42.52%
2	Harvest Fair International Limited	VGT Composite Technology (Huizhou) Co., Ltd.	3	Accounts payable - related parties	$156,125	The outstanding payments for purchases at the end of the period will be made based on the funding utilization status of VGT.	2.91%
2	Harvest Fair International Limited	VGT Composite Technology (Huizhou) Co., Ltd.	3	Purchase	$332,163	Products are purchased from VGT based on 95% of the resale price.	7.16%
3	Jiangxi O-TA Precision Technology Co., Ltd.	Harvest Fair International Limited	3	Sales revenue	$3,270,640	Priced according to the sales contract agreed upon by both parties.	70.53%

Note 1: Information on business transactions between the parent company and its subsidiaries should be noted separately in the Number column, stated as follows:
(1) The parent company: 0.
(2) The subsidiaries: 1 onward.

Note 2: There are three types of relationships with the counterparty.Indicate the type only (if it is the same transaction between the parent and subsidiary companies or among the subsidiaries, it does not need to be disclosed repeatedly. For example, if the parent company has disclosed a transaction with a subsidiary, the subsidiary does not need to disclose it again.
For transactions between subsidiaries, if one subsidiary has disclosed the transaction, the other subsidiary does not need to disclose it again.):
(1) The parent company to its subsidiary.
(2) The company to the parent company.
(3) Between subsidiaries.

Note 3: The calculation of the transaction amount as a percentage of consolidated total revenue or total assets is determined based on the nature of the items. For asset and liability items, the ratio is calculated using the ending balance relative to consolidated total assets. For income and expense items, the ratio is based on the cumulative amount during the period relative to consolidated total revenue.

Table 8
Information on Major Shareholders：

Names of Major Shareholders	Shares	
	Number of Shares Held (Shares)	Percentage of Ownership
LEE, KUNG-WEN	7,272,408	8.67%