

Gudeng Precision Industrial Co., Ltd.

Individual Financial Statements and Independent Auditor's Report

2024 and 2023

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Notice to Reader

For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

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Auditor's Report

To Gudeng Precision Industrial Co., Ltd.:

Audit Opinion

Gudeng Precision Industrial Co., Ltd.'s individual balance sheets as of December 31, 2024 and 2023, and the individual statements of comprehensive income, individual statements of changes in equity, individual statements of cash flows, and notes to the individual financial statements (including a summary of significant accounting policies) for the years ended December 31, 2024 and 2023, have been audited by me.

In my opinion, based on my audit results and the audit reports of other accountants (please refer to the Other Matters section), the aforementioned individual financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers in all material respects, and are sufficient to present fairly the individual financial position of Gudeng Precision Industrial Co., Ltd. as of December 31, 2024 and 2023, and its individual financial performance and individual cash flows for the years ended December 31, 2024 and 2023.

Basis for Audit Opinion

We conducted the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by certified public accountants and auditing standards. The responsibilities of the auditor under these standards will be further explained in the section on the Auditor's Responsibilities for the Audit of the Individual Financial Statements. The personnel of the firm to which I belong who are subject to independence regulations have maintained independence from Gudeng Precision Industrial Co., Ltd. in accordance with the Code of Professional Ethics for Certified Public Accountants, and have fulfilled other responsibilities under those regulations. Based on my audit results and the audit reports of other accountants, I believe I have obtained sufficient and appropriate audit evidence to serve as a basis for expressing an audit opinion.

Key Audit Matters

Key audit matters refer to those matters that, in my professional judgment, were of most significance in my audit of the individual financial statements of Gudeng Precision Industrial Co., Ltd. for the year 2024. These matters were addressed in the context of my audit of the individual financial statements as a whole and in forming my audit opinion, and I do not provide a separate opinion on these matters.

The key audit matters for the individual financial statements of Gudeng Precision Industrial Co., Ltd. for the year 2024 are described as follows:

The authenticity of sales revenue recognition for specific customers

Gudeng Precision Industrial Co., Ltd.'s revenue sources are from photomask and wafer shipping solutions. The recognition of sales revenue from specific customers requires manual confirmation and verification of relevant documents, which may lead to inappropriate revenue recognition. Additionally, the Statement on Auditing Standards presumes revenue recognition as a significant risk. Therefore, the authenticity of sales revenue recognition has been identified as a key audit matter. For accounting policies and information related to revenue recognition, please refer to Note 4(14) and Note 26 of the individual financial report.

For the important matters mentioned above, we performed the following main audit procedures:

1. Understanding, evaluating, and testing that the internal control system for revenue recognition is reasonably and effectively implemented.
2. Sample from the sales revenue details of specific customers, verify whether the relevant documents for revenue recognition match, to confirm the authenticity of sales revenue.
3. Obtaining details of sales returns after the period, examining their relevant vouchers, and reviewing the reasonableness of the return reasons.

Other Matters

As stated in Note 12 to the individual financial statements, certain investments accounted for using the equity method and their reinvestments included in the individual financial statements were not audited by me but were audited by other auditors. Therefore, in my opinion on the aforementioned individual financial statements, the amounts related to certain investments accounted for using the equity method and their reinvestments are based on the audit reports of other auditors. As of December 31, 2024 and 2023, the amounts of investments accounted for using the equity method were NT\$215,151 thousand and NT\$165,987 thousand, representing 1.24% and 1.21% of total assets, respectively. For the years 2024 and 2023, the share of comprehensive income recognized using the equity method amounted to NT\$(15,336) thousand and NT\$4,763 thousand, representing (0.86)% and 0.41% of total comprehensive income, respectively.

Management and Governance Unit's Responsibility for the Individual Financial Statements

Management's responsibility is to prepare individual financial statements that present fairly in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and to maintain necessary internal controls related to the preparation of individual financial statements, to ensure that the individual financial statements are free from material misstatement, whether due to fraud or error.

In preparing the individual financial statements, management's responsibility also includes evaluating Gudeng Precision Industrial Co., Ltd.'s ability to continue as a going concern, disclosing related matters, and using the going concern basis of accounting, unless management intends to liquidate Gudeng Precision Industrial Co., Ltd. or cease operations, or has no realistic alternative but to do so.

Gudeng Precision Industrial Co., Ltd.'s governance units (including the Audit Committee) are responsible for overseeing the financial reporting process.

Auditor's Responsibility for the Audit of the Individual Financial Statements

The purpose of our audit of the individual financial statements is to obtain reasonable assurance about whether the individual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance is a high level of assurance, but an audit conducted in accordance with auditing standards does not guarantee that material misstatements in the individual financial statements will always be detected. Misstatements can arise from fraud or error. If the individual amounts or aggregate of misstatements could reasonably be expected to influence the economic decisions of users of the individual financial statements, they are considered material.

When conducting an audit in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism. We also perform the following tasks:

1. Identify and assess the risks of material misstatement of the individual financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. Because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control, the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Gudeng Precision Industrial Co., Ltd.'s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Gudeng Precision Industrial Co., Ltd.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Gudeng Precision Industrial Co., Ltd. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the individual financial statements (including the related notes), and whether the individual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the group to express an opinion on the individual financial statements . We are responsible for the direction, supervision and performance of Gudeng Precision Industrial Co., Ltd. audit, and are responsible for forming the Company audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the individual financial statements of Gudeng Precision Industrial Co., Ltd. for the year 2024. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche
CPA Zeng, Jian-Ming

CPA Wang, Pan-Fa

Approval Document Number of the
Financial Supervisory Commission
Financial Supervisory Commission
Approval No. 1100356048
March 5, 2025

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Supervisory Commission
Financial Supervisory Commission
Approval No. 1100356048

Notice to Reader

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GUDENG PRECISION INDUSTRIAL CO., LTD.
STATEMENTS OF FINANCIAL POSITION

December 31, 2024 and 2023

Unit: In Thousands of New Taiwan Dollars

| Code | Assets | December 31, 2024 | | December 31, 2023 | |
|------|-------------------------------------------------------------------------------------------------|----------------------|------------|----------------------|------------|
| | | Amount | % | Amount | % |
| | Current Assets | | | | |
| 1100 | Cash and Cash Equivalents (Notes 4 and 6) | \$ 1,579,316 | 9 | \$ 1,842,482 | 13 |
| 1110 | Financial Assets at Fair Value through Profit or Loss - Current (Notes 4 and 7) | 958 | - | 1,000 | - |
| 1136 | Financial Assets at Amortized Cost - Current (Notes 4 and 9) | 304,907 | 2 | 362,054 | 3 |
| 1150 | Notes Receivable - Non-related Parties (Note 4 and 10) | 361 | - | 203 | - |
| 1170 | Accounts receivable - related parties (Note 4 and 10) | 959,483 | 5 | 623,240 | 5 |
| 1180 | Trade Receivable - Related Parties (Notes 4, 10 and 35) | 114,172 | 1 | 98,688 | 1 |
| 1200 | Other Receivables (Note 10) | 24,442 | - | 48,762 | - |
| 1210 | Other Receivables - Related Parties (Notes 10 and 35) | 3,493 | - | 29,007 | - |
| 130X | Inventories (Notes 4 and 11) | 977,693 | 6 | 1,114,696 | 8 |
| 1410 | Prepayments (Notes 17 and 35) | 36,345 | - | 121,446 | 1 |
| 1470 | Other Current Assets (Note 18) | 4,814 | - | 2,785 | - |
| 11XX | Total Current Assets | <u>4,005,984</u> | <u>23</u> | <u>4,244,363</u> | <u>31</u> |
| | Non-current Assets | | | | |
| 1510 | Financial assets at fair value through profit or loss - non-current (Notes 4 and 7) | 44,212 | - | - | - |
| 1517 | Financial Assets at Fair Value through Other Comprehensive Income - Non-current (Notes 4 and 8) | 1,085,617 | 7 | 415,334 | 3 |
| 1550 | Investments Accounted for Using Equity Method (Notes 4 and 12) | 4,460,604 | 26 | 2,563,088 | 19 |
| 1600 | Property, Plant and Equipment (Notes 4, 13 and 35) | 6,421,780 | 37 | 5,352,736 | 39 |
| 1755 | Right-of-use Assets (Notes 4 and 14) | 10,674 | - | 13,852 | - |
| 1760 | Investment Property, Net (Notes 4 and 15) | 726,058 | 4 | 721,387 | 5 |
| 1821 | Other Intangible Assets (Notes 4 and 16) | 125,702 | 1 | 129,176 | 1 |
| 1840 | Deferred Tax Assets (Notes 4 and 28) | 30,687 | - | 28,966 | - |
| 1915 | Prepayments for Equipment (Note 37) | 366,206 | 2 | 195,887 | 2 |
| 1920 | Refundable Deposits | 21,251 | - | 18,361 | - |
| 15XX | Total Non-current Assets | <u>13,292,791</u> | <u>77</u> | <u>9,438,787</u> | <u>69</u> |
| 1XXX | Total Assets | <u>\$ 17,298,775</u> | <u>100</u> | <u>\$ 13,683,150</u> | <u>100</u> |
| | Liabilities and Equity | | | | |
| | Current Liabilities | | | | |
| 2100 | Short-term Borrowings (Note 4 and 19) | \$ 600,000 | 4 | \$ 100,000 | 1 |
| 2120 | Financial Liabilities at Fair Value through Profit or Loss - Current (Notes 4 and 7) | 120 | - | 3,300 | - |
| 2170 | Accounts Payable - Non-related Parties (Note 21) | 306,660 | 2 | 327,347 | 2 |
| 2180 | Accounts Payable - Non-related Parties (Note 21 and 35) | 37,882 | - | 45,520 | - |
| 2219 | Other Payables (Note 22) | 944,962 | 5 | 835,135 | 6 |
| 2220 | Other payables - related parties (Note 35) | 20,115 | - | 15,006 | - |
| 2230 | Current Income Tax Liabilities (Note 4 and 28) | 71,380 | - | 23,035 | - |
| 2250 | Provisions - Current (Notes 4 and 23) | 2 | - | 68 | - |
| 2280 | Lease Liabilities - Current (Notes 4 and 14) | 6,584 | - | 6,523 | - |
| 2131 | Contract Liabilities - Current (Notes 26 and 35) | 3,680 | - | 87,072 | 1 |
| 2320 | Current portion of Long-term borrowings (Notes 4, 19 and 20) | 613,888 | 4 | 223,135 | 2 |
| 2399 | Other Current Liabilities (Notes 22) | 4,221 | - | 2,609 | - |
| 21XX | Total Current Liabilities | <u>2,609,494</u> | <u>15</u> | <u>1,668,750</u> | <u>12</u> |
| | Non-current Liabilities | | | | |
| 2530 | Corporate Bonds Payable (Notes 4 and 20) | - | - | 942,415 | 7 |
| 2540 | Long-term Borrowings (Note 4 and 19) | 4,615,084 | 27 | 2,904,151 | 21 |
| 2570 | Deferred tax liabilities (Note 4 and 28) | 5,572 | - | 512 | - |
| 2580 | Lease liabilities - non-current (Notes 4 and 14) | 4,511 | - | 7,832 | - |
| 2640 | Net Defined Benefit Liabilities - Non-current (Notes 4 and 24) | 39,155 | - | 31,175 | 1 |
| 2645 | Guarantee Deposits Received (Note 35) | 10,162 | - | 9,071 | - |
| 25XX | Total Non-current Liabilities | <u>4,674,484</u> | <u>27</u> | <u>3,895,156</u> | <u>29</u> |
| 2XXX | Total Liabilities | <u>7,283,978</u> | <u>42</u> | <u>5,563,906</u> | <u>41</u> |
| | Interests (Note 25) | | | | |
| | Share Capital | | | | |
| 3110 | Ordinary Shares | 958,505 | 5 | 941,844 | 7 |
| 3140 | Stock Subscriptions Received in Advance | 984 | - | 1,128 | - |
| 3100 | Total Share Capital | <u>959,489</u> | <u>5</u> | <u>942,972</u> | <u>7</u> |
| 3200 | Capital Surplus | <u>6,888,506</u> | <u>40</u> | <u>5,989,152</u> | <u>44</u> |
| | Retained Earnings | | | | |
| 3310 | Legal Reserve | 401,871 | 3 | 310,168 | 2 |
| 3350 | Unappropriated Retained Earnings | 1,083,118 | 6 | 794,151 | 6 |
| 3300 | Total Retained Earnings | <u>1,484,989</u> | <u>9</u> | <u>1,104,319</u> | <u>8</u> |
| 3400 | Other Equity | 681,813 | 4 | 82,801 | - |
| 3XXX | Total Equity | <u>10,014,797</u> | <u>58</u> | <u>8,119,244</u> | <u>59</u> |
| | Total Liabilities and Equity | <u>\$ 17,298,775</u> | <u>100</u> | <u>\$ 13,683,150</u> | <u>100</u> |

The accompanying notes are an integral part of the financial statements.
(Please refer to the audit report of Deloitte & Touche dated March 5, 2025)

Chairman: Chiu, Ming-Chien

Manager: Lin, Tien-Jui

Accounting Supervisor: Lai, Po-An

GUDENG PRECISION INDUSTRIAL CO., LTD.
STATEMENTS OF COMPREHENSIVE INCOME

January 1 to December 31, 2024 and 2023

Unit: In Thousands of New Taiwan Dollars, except earnings per share expressed in NT\$

| <u>Code</u> | | <u>2024</u> | | <u>2023</u> | |
|-------------|--------------------------------------------------------------------------------------------------|------------------|-----------|------------------|-----------|
| | | <u>Amount</u> | <u>%</u> | <u>Amount</u> | <u>%</u> |
| 4000 | Operating Revenue (Notes 4, 26 and 35) | \$ 4,445,156 | 100 | \$ 3,495,633 | 100 |
| 5000 | Operating Costs (Notes 4, 11, 27 and 35) | <u>2,506,332</u> | <u>56</u> | <u>1,865,206</u> | <u>53</u> |
| 5900 | Gross Profit from Operations | <u>1,938,824</u> | <u>44</u> | <u>1,630,427</u> | <u>47</u> |
| | Operating Expenses (Notes 27 and 35) | | | | |
| 6100 | Selling And Marketing Expenses | 341,018 | 8 | 291,569 | 9 |
| 6200 | General And Administrative Expenses | 463,280 | 10 | 429,874 | 12 |
| 6300 | Research and Development Expenses | 344,489 | 8 | 274,799 | 8 |
| 6450 | Expected Credit Loss Reversal Benefit | (<u>224</u>) | <u>-</u> | (<u>781</u>) | <u>-</u> |
| 6000 | Total Operating Expenses | <u>1,148,563</u> | <u>26</u> | <u>995,461</u> | <u>29</u> |
| 6900 | Net Operating Income | <u>790,261</u> | <u>18</u> | <u>634,966</u> | <u>18</u> |
| | Non-operating Income and Expenses | | | | |
| 7100 | Interest income (Notes 27 and 35) | 18,240 | - | 25,394 | 1 |
| 7010 | Other Income (Note 27 and 35) | 78,786 | 2 | 106,612 | 3 |
| 7020 | Other Gains and Losses (Note 27) | 68,665 | 1 | 9,012 | - |
| 7050 | Finance Costs (Note 27) | (88,364) | (2) | (84,121) | (2) |
| 7070 | Share of Profit of Subsidiaries, Associates and Joint Ventures Accounted for Using Equity Method | <u>444,087</u> | <u>10</u> | <u>292,884</u> | <u>8</u> |
| 7000 | Total Non-operating Income and Expenses | <u>521,414</u> | <u>11</u> | <u>349,781</u> | <u>10</u> |

(Continued on next page)

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| <u>Code</u> | | <u>2024</u> | | <u>2023</u> | |
|-------------|--------------------------------------------------------------------------------------------------------------|---------------------|-----------|---------------------|-----------|
| | | <u>Amount</u> | <u>%</u> | <u>Amount</u> | <u>%</u> |
| 7900 | Profit Before Tax | \$ 1,311,675 | 29 | \$ 984,747 | 28 |
| 7950 | Income Tax Expense (Notes 4 and 28) | (143,897) | (3) | (79,741) | (2) |
| 8200 | Net Profit/(Loss) For The Period | <u>1,167,778</u> | <u>26</u> | <u>905,006</u> | <u>26</u> |
| 8310 | Other Comprehensive Income Items That Will Not Be Reclassified Subsequently to Profit or Loss | | | | |
| 8311 | Remeasurement of Defined Benefit Plans (Note 24) | (7,655) | - | (4,874) | - |
| 8330 | Share of Other Comprehensive Income of Subsidiaries Accounted for Using Equity Method | 56 | - | (314) | - |
| 8316 | Unrealized Gain/(Loss) On Investments In Equity Instruments At Fair Value Through Other Comprehensive Income | 600,930 | 13 | 263,940 | 7 |
| 8360 | Items That May Be Reclassified Subsequently to Profit or Loss | | | | |
| 8361 | Exchange Differences on Translating the Financial Statements of Foreign Operations | <u>20,543</u> | <u>1</u> | (11,833) | - |
| 8300 | Other Comprehensive Income/(Loss) For The Period, Net Of Income Tax | <u>613,874</u> | <u>14</u> | <u>246,919</u> | <u>7</u> |
| 8500 | Total Comprehensive Income/(Loss) For The Period | <u>\$ 1,781,652</u> | <u>40</u> | <u>\$ 1,151,925</u> | <u>33</u> |
| | Earnings/(Loss) Per Share (Note 29) | | | | |
| 9710 | Basic | <u>\$ 12.32</u> | | <u>\$ 10.24</u> | |
| 9810 | Diluted | <u>\$ 12.11</u> | | <u>\$ 10.08</u> | |

The accompanying notes are an integral part of the financial statements.
(Please refer to the audit report of Deloitte & Touche dated March 5, 2025)

Chairman:
Chiu, Ming-Chien

Manager:
Lin, Tien-Jui

Accounting Supervisor:
Lai, Po-An

GUDENG PRECISION INDUSTRIAL CO., LTD.
STATEMENTS OF CHANGES IN EQUITY

January 1 to December 31, 2024 and 2023

Unit: In Thousands of New Taiwan Dollars

| Code | | Share Capital | | | Capital Surplus | Retained Earnings | | | Other Equity Items | | Total Equity |
|------|--------------------------------------------------------------------------------------------------------------------|---------------------------------|------------|-----------------------------------------|-----------------|-------------------|-----------------|----------------------------------|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|---------------|
| | | Number of Shares (in thousands) | Amount | Stock Subscriptions Received in Advance | | Legal Reserve | Special Reserve | Unappropriated Retained Earnings | Exchange Differences on Translating the Financial Statements of Foreign Operations | Unrealized Valuation Gain or Loss on Financial Assets at Fair Value through Other Comprehensive Income | |
| A1 | Balance as of January 1, 2023 | 84,097 | \$ 840,973 | \$ 1,521 | \$ 3,248,341 | \$ 216,567 | \$ 157,093 | \$ 560,545 | (\$ 18,489) | (\$ 128,177) | \$ 4,878,374 |
| | Appropriation Of Earnings | | | | | | | | | | |
| B1 | Appropriation of Legal Reserve | - | - | - | - | 93,601 | - | (93,601) | - | - | - |
| B3 | Reversal of Special Reserve | - | - | - | - | - | (157,093) | 157,093 | - | - | - |
| B5 | Cash Dividends to the Company's Shareholders | - | - | - | - | - | - | (724,236) | - | - | (724,236) |
| M7 | Changes In Percentage Of Ownership Interests In Subsidiaries (Note 31) | - | - | - | - | - | - | (12,228) | - | - | (12,228) |
| | Other Changes in Capital Surplus: | | | | | | | | | | |
| M5 | Actual Acquisition or Disposal of Partial Interest in Subsidiaries (Note 31) | - | - | - | 86,856 | - | - | - | - | - | 86,856 |
| C7 | Changes In Capital Surplus From Investments In Associates/And Joint Ventures Accounted For Using The Equity Method | - | - | - | (106) | - | - | (15,880) | - | - | (15,986) |
| C5 | Recognition of Equity Component of Convertible Bonds Issued | - | - | - | 56,446 | - | - | - | - | - | 56,446 |
| E1 | Issuance of Ordinary Shares For Cash | 5,800 | 58,000 | - | 1,678,960 | - | - | - | - | - | 1,736,960 |
| N1 | Employee Share Options Issued By The Company | - | - | - | 37,726 | - | - | - | - | - | 37,726 |
| I1 | Conversion of Convertible Bonds | 4,287 | 42,871 | (393) | 880,929 | - | - | - | - | - | 923,407 |
| D1 | 2023 Net Income | - | - | - | - | - | - | 905,006 | - | - | 905,006 |
| D3 | 2023 Other Comprehensive Income, Net of Tax | - | - | - | - | - | - | (5,188) | (11,833) | 263,940 | 246,919 |
| D5 | 2023 Total Comprehensive Income | - | - | - | - | - | - | 899,818 | (11,833) | 263,940 | 1,151,925 |
| Q1 | Disposal of Equity Instruments at Fair Value through Other Comprehensive Income | - | - | - | - | - | - | 22,640 | - | (22,640) | - |
| Z1 | Balance as of December 31, 2023 | 94,184 | 941,844 | 1,128 | 5,989,152 | 310,168 | - | 794,151 | (30,322) | 113,123 | 8,119,244 |
| | Appropriation Of Earnings | | | | | | | | | | |
| B1 | Appropriation of Legal Reserve | - | - | - | - | 91,703 | - | (91,703) | - | - | - |
| B5 | Cash Dividends to the Company's Shareholders | - | - | - | - | - | - | (694,272) | - | - | (694,272) |
| | Other Changes in Capital Surplus: | | | | | | | | | | |
| C7 | Changes In Capital Surplus From Investments In Associates/And Joint Ventures Accounted For Using The Equity Method | - | - | - | 3,450 | - | - | - | - | - | 3,450 |
| N1 | Employee Share Options Issued By The Subsidiary | - | - | - | 12,056 | - | - | - | - | - | 12,056 |
| M7 | Changes In Percentage Of Ownership Interests In Subsidiaries (Note 31) | - | - | - | 326,870 | - | - | (107,698) | - | - | 219,172 |
| I1 | Conversion of Convertible Bonds | 1,666 | 16,661 | (144) | 556,978 | - | - | - | - | - | 573,495 |
| D1 | 2024 Net Income | - | - | - | - | - | - | 1,167,778 | - | - | 1,167,778 |
| D3 | 2024 Other Comprehensive Income, Net of Tax | - | - | - | - | - | - | (7,599) | 20,543 | 600,930 | 613,874 |
| D5 | 2024 Total Comprehensive Income | - | - | - | - | - | - | 1,160,179 | 20,543 | 600,930 | 1,781,652 |
| Q1 | Disposal of Equity Instruments at Fair Value through Other Comprehensive Income | - | - | - | - | - | - | 22,461 | - | (22,461) | - |
| Z1 | Balance as of December 31, 2024 | 95,850 | \$ 958,505 | \$ 984 | \$ 6,888,506 | \$ 401,871 | \$ - | \$ 1,083,118 | (\$ 9,779) | \$ 691,592 | \$ 10,014,797 |

The accompanying notes are an integral part of the financial statements.
(Please refer to the audit report of Deloitte & Touche dated March 5, 2025)

Chairman: Chiu, Ming-Chien

Manager: Lin, Tien-Jui

Accounting Supervisor: Lai, Po-An

GUDENG PRECISION INDUSTRIAL CO., LTD.
STATEMENTS OF CASH FLOWS

January 1 to December 31, 2024 and 2023

Unit: In Thousands of New Taiwan Dollars

| <u>Code</u> | | <u>2024</u> | <u>2023</u> |
|-------------|-----------------------------------------------------------------------------------|----------------|----------------|
| | Cash Flows from Operating Activities | | |
| A10000 | Net Profit (Loss) before Income Tax for the Year | \$ 1,311,675 | \$ 984,747 |
| A20010 | Revenue and Expense Items | | |
| A20100 | Depreciation Expense | 306,407 | 248,435 |
| A20200 | Amortization Expense | 22,067 | 17,659 |
| A20300 | Expected Credit Loss Reversal Benefit | (224) | (781) |
| A20400 | Net Gain on Financial Assets and Liabilities at Fair Value through Profit or Loss | (3,523) | (9,261) |
| A20900 | Finance Costs | 88,364 | 84,121 |
| A21200 | Interest Income | (18,240) | (25,394) |
| A21300 | Dividend Income | (18,493) | (35,847) |
| A21900 | Share-based Payment Compensation Cost | - | 37,726 |
| A22400 | Share of Profit of Subsidiaries Accounted for Using Equity Method | (444,087) | (292,884) |
| A22500 | Gain on Disposal of Property, Plant and Equipment | (7,588) | (3,447) |
| A22900 | Gain on Lease Modification | - | (76) |
| A23700 | Inventory price decline loss (recovery gain) | 22,711 | (11,327) |
| A29900 | Income from Odd Shares of Convertible Bonds | (12) | (30) |
| A30000 | Net Changes in Operating Assets and Liabilities | | |
| A31130 | Notes Receivable | (158) | (203) |
| A31150 | Accounts Receivable | (351,503) | 132,134 |
| A31180 | Other Receivables | (15,296) | 2,803 |
| A31200 | Inventories | 114,292 | (267,650) |
| A31230 | Prepayments | 83,624 | (18,166) |
| A31240 | Other Current Assets | (2,029) | 2,033 |
| A32210 | Contract Liabilities | (83,392) | 1,538 |
| A32150 | Accounts Payable | (28,325) | 127,198 |
| A32180 | Other Payables | 110,697 | (75,714) |
| A32200 | Provisions | (66) | 68 |
| A32230 | Other Current Liabilities | 1,612 | (684) |
| A32240 | Net Defined Benefit Liabilities | 325 | 191 |
| A33000 | Cash Generated From/(Used In) Operations | 1,088,838 | 897,189 |
| A33100 | Interest Received | 19,828 | 23,196 |
| A33300 | Interest Paid | (71,123) | (75,051) |
| A33500 | Income Tax Paid | (92,213) | (192,709) |
| AAAA | Net Cash Inflow from Operating Activities | <u>945,330</u> | <u>652,625</u> |

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| <u>Code</u> | | <u>2024</u> | <u>2023</u> |
|-------------|----------------------------------------------------------------------------------|----------------------|----------------------|
| | Cash Flows from Investing Activities | | |
| B00010 | Acquisition of Financial Assets at Fair Value through Other Comprehensive Income | (\$ 258,400) | (\$ 15,037) |
| B00040 | Financial Assets at Amortized Cost | - | (172,794) |
| B00050 | Disposal of Financial Assets at Amortized Cost | 57,147 | 2,546 |
| B00100 | Purchase of Financial Assets at Fair Value Through Profit or Loss | (45,780) | - |
| B00200 | Disposal of Financial Assets at Fair Value through Profit or Loss | - | 15,194 |
| B01800 | Acquisition of Additional Interests in Subsidiary(Ies) | (1,434,035) | (601,858) |
| B01900 | Disposal of Long-term Investments Accounted for Using Equity Method | 345,968 | 113,538 |
| B02700 | Payments for Property, Plant and Equipment | (1,211,277) | (901,635) |
| B02800 | Proceeds from Disposal of Property, Plant and Equipment | 66,265 | 5,056 |
| B03700 | Increase in Refundable Deposits | (2,890) | - |
| B03800 | Decrease in Refundable Deposits | - | 4,506 |
| B04300 | Loans to Related Parties | - | (27,061) |
| B04500 | Payment of Intangible Assets | (18,593) | (50,188) |
| B05900 | Repayments from Related Parties | 27,061 | - |
| B07100 | Increase in Prepayments for Equipment | (342,788) | (135,127) |
| B07600 | Dividends Received | <u>105,222</u> | <u>46,605</u> |
| BBBB | Net Cash Outflow from Investing Activities | (<u>2,712,100</u>) | (<u>1,716,255</u>) |
| | Cash Flows from Financing Activities | | |
| C00100 | Increase in Short-term Borrowings | 1,610,000 | 1,400,120 |
| C00200 | Decrease in Short-term Borrowings | (1,110,000) | (1,300,120) |
| C01200 | Issuance of Corporate Bonds | - | 997,285 |
| C01600 | Proceeds from Long-term Borrowings | 2,493,670 | 1,945,080 |
| C01700 | Repayment of Long-term Borrowings | (776,166) | (2,022,231) |
| C03000 | Receipt of Guarantee Deposits | 1,091 | - |
| C03100 | Refund of Guarantee Deposits | - | (138) |
| C04020 | Repayment of the Principal Portion of Lease Liabilities | (7,068) | (9,806) |
| C04500 | Distribution of Cash Dividends | (707,923) | (683,351) |
| C04600 | Issuance of Ordinary Shares For Cash | <u>-</u> | <u>1,736,960</u> |
| CCCC | Net Cash Inflow from Financing Activities | <u>1,503,604</u> | <u>2,063,799</u> |
| EEEE | Net (Decrease) Increase in Cash and Cash Equivalents | (263,166) | 1,000,169 |
| E00100 | Cash and Cash Equivalents Balance at Beginning of the Period | <u>1,842,482</u> | <u>842,313</u> |
| E00200 | Cash and Cash Equivalents Balance at End of the Period | <u>\$ 1,579,316</u> | <u>\$ 1,842,482</u> |

The accompanying notes are an integral part of the financial statements.
(Please refer to the audit report of Deloitte & Touche dated March 5, 2025)

Chairman:
Chiu, Ming-Chien

Manager:
Lin, Tien-Jui

Accounting Supervisor:
Lai, Po-An

GUDENG PRECISION INDUSTRIAL CO., LTD.
NOTES TO THE FINANCIAL STATEMENTS

January 1 to December 31, 2024 and 2023

(Unless Otherwise Stated, Amounts are in In Thousands of New Taiwan Dollars)

1. Company History

Gudeng Precision Industrial Co., Ltd. (hereinafter referred to as "the Company") was established as a company limited by shares in New Taipei City in March 1998, and commenced operations in the same month. The main business activities include the trading and manufacturing of molds, mask packages, etc.

The Company's shares have been listed and traded on the Taipei Exchange (TPEX) since August 2011.

The parent company only financial statements are presented in New Taiwan Dollars, the Company's functional currency.

2. Date and Procedures of Approval of Financial Statements

The parent company only financial statements were approved by the Board of Directors on March 5, 2025.

3. Application of Newly Released and Revised Standards and IFRIC Interpretations (IFRIC)

(1) Initial adoption of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (hereinafter referred to as "IFRS Accounting Standards") that have been endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as "FSC").

The adoption of the amended IFRS Accounting Standards endorsed and issued into effect by the FSC will not cause significant changes to the Company's accounting policies.

(2) IFRS Accounting Standards endorsed by the FSC that are applicable in 2025

| Newly Released/ Revised Standards/ IFRIC Interpretations (IFRIC) | Effective date issued by the IASB |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| Amendments to IAS 21 "Lack of Exchangeability | January 1, 2025 (Note 1) |
| Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" regarding amendments to the application guidance for the classification of financial assets | January 1, 2026 (Note 2) |

Note 1: Applicable to annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, comparative periods shall not be restated, and the effects shall be recognized in retained earnings or in the cumulative foreign currency translation differences under equity (as appropriate) and the related affected assets and liabilities at the date of initial application.

Note 2: Applicable to annual reporting periods beginning on or after January 1, 2026; entities may also choose to apply it early from January 1, 2025. Upon initial application of the amendments, retrospective application is required but restatement of comparative periods is not required, and the effects of initial application shall be recognized at the date of initial application. However, if an entity can restate comparative periods without using hindsight, it may choose to do so.

As of the approval date of these individual financial statements, the company has assessed that the aforementioned amendments to standards and interpretations will not have a significant impact on its financial position and financial performance.

(3) IFRS Accounting Standards Issued by the IASB but Not Yet Endorsed and Announced Effective by the FSC

| Newly Released/ Revised Standards/ IFRIC Interpretations (IFRIC) | Effective Date Issued by the IASB (Note 1) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| Annual Improvements to IFRS Accounting Standards – Cycle 11 | January 01, 2026 |
| Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" regarding the application guidance modifications for derecognition of financial liabilities | January 01, 2026 |
| Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity" | January 01, 2026 |
| Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" | Undetermined |
| IFRS 17 "Insurance Contracts" | January 01, 2023 |
| Amendments to IFRS 17 | January 01, 2023 |
| Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information" | January 01, 2023 |
| IFRS 18 "Presentation and Disclosure in Financial Statements | January 01, 2027 |
| IFRS 19 "Subsidiaries without Public Accountability: Disclosures" | January 01, 2027 |

Note 1: Unless otherwise noted, the above newly released/ revised standards/ IFRIC Interpretations (IFRIC) are effective for annual reporting periods beginning on or after their respective dates.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of Financial Statements", and the main changes include:

- Income statement should categorize income and expense items into operating, investing, financing, income taxes, and discontinued operations.
- Income statement should present operating profit or loss, profit or loss before financing and income tax, and subtotals and totals of profit or loss.
- Guidance is provided to strengthen aggregation and disaggregation requirements: the company must identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events, and classify and aggregate them based on common characteristics, so that each line item presented in the primary financial statements has at least one similar characteristic. Items with dissimilar characteristics should be disaggregated in the primary financial statements and notes. The company shall label such items as "other" only when it cannot identify a more informative label.
- Management-defined performance measures disclosure is enhanced: When the company makes public communications outside the financial statements and communicates management's view on aspects of the company's overall financial performance to financial statement users, it should disclose management-defined performance measures in a single note to the financial statements, including a description of the measure, how it is calculated, its reconciliation to subtotals or totals specified in IFRS Accounting Standards, and the income tax and non-controlling interest effects of reconciling items.

In addition to the aforementioned impacts, as of the approval date of the issuance of these financial statements, the company is still continuously evaluating other impacts of the amendments to each standard and interpretation on its financial position and financial performance. The related impacts will be disclosed when the assessment is completed.

4. Summary of Significant Accounting Policies

(1) Statement of Compliance

The parent company only financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of Preparation

Except for financial instruments measured at fair value and the net defined benefit liability recognized as the present value of defined benefit obligation less the fair value of plan assets, these individual financial statements have been prepared on a historical cost basis.

Fair value measurements are categorized into Levels 1 to 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs:

1. Level 1 inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.
2. Level 2 inputs: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
3. Level 3 inputs: Unobservable inputs for the asset or liability.

When preparing the parent company only financial statements, the Company accounts for its investments in subsidiaries, associates or joint ventures using the equity method. To align the current period profit or loss, other comprehensive income, and equity in these parent company only financial statements with those attributable to the owners of the Company in the consolidated financial statements, certain differences in accounting treatments between the individual and consolidated bases are adjusted through "Investments accounted for using equity method," "Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method," and related equity items.

(3) Criteria for Classifying Assets and Liabilities as Current and Non-current

Current assets include:

1. Assets held primarily for trading purposes;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash and cash equivalents (excluding those restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for trading purposes;
2. Liabilities due to be settled within 12 months after the balance sheet date (even if long-term refinancing or rescheduling of payments has been completed after the balance sheet date but before the financial statements are authorized for issue, such liabilities are still classified as current liabilities), and
3. Liabilities for which the entity does not have an unconditional right to defer settlement for at least 12 months after the balance sheet date.

Assets or liabilities that do not fall into the above categories of current assets or current liabilities are classified as non-current assets or non-current liabilities.

(4) Foreign Currencies

When preparing financial statements, the Company translates transactions denominated in currencies other than its functional currency (foreign currencies) into the functional currency at the exchange rates prevailing on the transaction dates.

Foreign currency monetary items are translated at the closing exchange rate at each balance sheet date. Exchange differences arising from the settlement of monetary items or the translation of monetary items are recognized in profit or loss in the period in which they arise.

Foreign currency non-monetary items measured at fair value are translated at the exchange rates prevailing on the date when the fair value is determined. The resulting exchange differences are recognized in profit or loss for the period, except for those where fair value changes are recognized in other comprehensive income, in which case the exchange differences are recognized in other comprehensive income.

Foreign currency non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction and are not retranslated.

In preparing the individual financial statements, the assets and liabilities of foreign operations (including subsidiaries, associates, joint ventures, or branches whose country of operation or currency used differs from that of the Company) are translated into New Taiwan Dollars using the exchange rates at each balance sheet date. Income and expense items are translated at the average exchange rates for the period, and the resulting exchange differences are recognized in other comprehensive income.

If the Company disposes of all its interests in a foreign operation, or disposes of part of its interests in a foreign operation but loses control, or the retained interest in a foreign operation after the disposal of joint arrangement or associate is a financial asset and is accounted for in accordance with the accounting policy for financial instruments, all cumulative exchange differences related to that foreign operation will be reclassified to profit or loss.

If a partial disposal of a foreign operation subsidiary does not result in a loss of control, the cumulative exchange differences are proportionately included in the calculation of equity transactions, but are not recognized in profit or loss. In any other case of partial disposal of a foreign operation, the accumulated exchange differences are reclassified to profit or loss in proportion to the disposal.

(5) Inventories

Inventory includes raw materials, semi-finished goods, finished goods, work in progress, and merchandise inventory. Inventory is measured at the lower of cost and net realizable value, and the comparison of cost and net realizable value is made on an individual item basis, except for inventories of the same category. Net realizable value refers to the

estimated selling price in the normal course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The calculation of inventory cost is based on the weighted average method.

(6) Investments in Subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

Subsidiaries are entities controlled by the Company.

Under the equity method, investments are initially recognized at cost, and the carrying amount is subsequently increased or decreased based on the Company's share of the subsidiaries' profit or loss and other comprehensive income, as well as profit distributions. In addition, changes in other equity of subsidiaries that the Company can benefit from are recognized according to the shareholding ratio.

When changes in percentage of ownership interests in subsidiaries do not result in a loss of control, they are accounted for as equity transactions. The difference between the carrying amount of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses from a subsidiary equals or exceeds its interest in that subsidiary (including the carrying amount of the subsidiary under the equity method and other long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues to recognize losses based on its shareholding ratio.

The excess of acquisition cost over the Company's share of the net fair value of identifiable assets and liabilities of a subsidiary that constitutes a business at the acquisition date is recognized as goodwill, which is included in the carrying amount of the investment and is not amortized; the excess of the Company's share of the net fair value of identifiable assets and liabilities of a subsidiary that constitutes a business at the acquisition date over the acquisition cost is recognized as current income.

When assessing impairment, the Company considers cash-generating units as a whole in the financial report and compares their recoverable amount with their carrying amount. Subsequently, if the recoverable amount of an asset increases, the reversal of the impairment loss is recognized as a gain. However, the carrying amount of the asset after the reversal of the impairment loss must not exceed what the carrying amount would have been, net of amortization, had no impairment loss been recognized. Impairment losses attributable to goodwill cannot be reversed in subsequent periods.

When control over a subsidiary is lost, the Company measures any retained investment in the former subsidiary at its fair value as of the date of loss of control. The difference between the fair value of the retained investment, any disposal proceeds, and the carrying amount of the investment on the date of loss of control is recognized in profit or loss for the current period. Furthermore, all amounts recognized in other comprehensive income

related to that subsidiary are accounted for on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Unrealized gains and losses from downstream transactions between the Company and its subsidiaries are eliminated in the parent company-only financial statements. Gains and losses arising from upstream and lateral transactions between the Company and its subsidiaries are recognized in the parent company-only financial statements only to the extent that they do not relate to the Company's interests in the subsidiaries.

(7) Investment in Associates

Associates refer to entities over which the company has significant influence, but which are neither subsidiaries nor joint ventures.

The Company accounts for its investments in associates using the equity method.

Under the equity method, investments in associates are initially recognized at cost, and the carrying amount after the acquisition date increases or decreases with the company's share of the associates' profit or loss and other comprehensive income and profit distribution. In addition, changes in the equity of associates are recognized according to the shareholding ratio.

The excess of acquisition cost over the company's share of the net fair value of the identifiable assets and liabilities of the associate at the date of acquisition is recognized as goodwill, which is included in the carrying amount of the investment and is not amortized; the excess of the company's share of the net fair value of the identifiable assets and liabilities of the associate at the date of acquisition over the acquisition cost is recognized in profit or loss for the current period.

When an associate issues new shares, if the company does not subscribe according to its shareholding ratio, resulting in changes in the shareholding ratio and consequently causing an increase or decrease in the net equity value of the investment, the adjustment amount is recognized in capital surplus - changes in the net equity value of associates recognition of changes in the net equity value of associates and joint ventures under the equity method and investments accounted for using the equity method. However, if the failure to subscribe or acquire according to the shareholding ratio results in a decrease in the ownership interest in the associate, the amount recognized in other comprehensive income related to the associate is reclassified according to the reduction ratio, and the basis for this accounting treatment is the same as the basis that would be required if the associate had directly disposed of the related assets or liabilities; if the adjustment mentioned above should be debited to capital surplus, and the balance of capital surplus generated from investments using the equity method is insufficient, the difference is debited to retained earnings.

When the company's share of losses of an associate equals or exceeds its interest in the associate (including the carrying amount of investments in associates under the equity

method and other long-term interests that, in substance, form part of the company's net investment in the associate), the consolidated company discontinues recognizing its share of further losses. The company recognizes additional losses and liabilities only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate.

When assessing impairment, the Company treats the entire carrying amount of the investment (including goodwill) as a single asset, comparing the recoverable amount with the carrying amount to perform impairment testing. Any recognized impairment loss is not allocated to any asset constituting part of the carrying amount of the investment, including goodwill. Any reversal of an impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The company ceases to use the equity method from the date when its investment no longer qualifies as an associate. The retained interest in the former associate is measured at fair value, and the difference between this fair value, the proceeds from disposal, and the carrying amount of the investment on the date when the equity method is discontinued is recognized in profit or loss. In addition, all amounts recognized in other comprehensive income related to the associate are accounted for on the same basis as would be required if the associate had directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture, or an investment in a joint venture becomes an investment in an associate, the company continues to apply the equity method and does not remeasure the retained interest.

Gains and losses arising from upstream, downstream, and lateral transactions between the Company and its associates are recognized in the parent company-only financial statements only to the extent that they do not relate to the Company's interests in the associates.

(8) Property, Plant and Equipment

Property, plant and equipment are recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment under construction are recognized at cost less accumulated impairment losses. Cost includes professional service fees and borrowing costs that meet the capitalization criteria. These assets are classified into the appropriate categories of property, plant and equipment and depreciation begins when they are completed and ready for their intended use.

Except for owned land which is not depreciated, all other property, plant and equipment are depreciated on a straight-line basis over their useful lives, with each significant part being depreciated separately. The company reviews the estimated useful lives, residual values, and depreciation methods at least at each fiscal year-end. And applies the effect of changes in accounting estimates prospectively.

When property, plant and equipment are derecognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(9) Investment Property

Investment property is real estate held to earn rentals, for capital appreciation, or for both purposes. Investment property also includes land currently held with undetermined future use.

Owned investment property is initially measured at cost (including transaction costs), and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Investment property is transferred to property, plant and equipment at its carrying amount on the date it begins to be used by the owner.

When investment property is derecognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(10) Intangible Assets

1. Acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight-line basis over their useful lives, and the company reviews the estimated useful lives, residual values, and amortization methods at least at the end of each fiscal year, and applies the effect of changes in accounting estimates prospectively. Intangible assets with indefinite useful lives are reported at cost less accumulated impairment losses.

2. Derecognition

Upon derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss for the current period.

(11) Impairment of Property, Plant and Equipment, Right-of-Use Assets, Investment Property and Intangible Assets (Excluding Goodwill)

The company assesses at each balance sheet date whether there are any indications that property, plant and equipment, right-of-use assets, investment property and intangible assets (excluding goodwill) may be impaired. If any indication of impairment exists, the recoverable amount of the asset is estimated. If the recoverable amount of an individual asset cannot be estimated, the company estimates the recoverable amount of the

cash-generating unit to which the asset belongs. Common assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis.

For intangible assets with indefinite useful lives and intangible assets not yet available for use, impairment tests are performed at least annually and whenever there is an indication of impairment.

The recoverable amount is the higher of fair value less costs to sell and its value in use. When the recoverable amount of an individual asset or cash-generating unit is less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, and the impairment loss is recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset or cash-generating unit in prior years. The reversal of an impairment loss is recognized in profit or loss.

(12) Financial Instruments

Financial assets and financial liabilities are recognized on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

When initially recognizing financial assets and financial liabilities, if the financial asset or financial liability is not classified as at fair value through profit or loss, it is measured at fair value plus transaction costs directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial Assets

Regular way purchases or sales of financial assets are recognized and derecognized using trade date accounting.

(1) Measurement Categories

The types of financial assets held by the company are financial assets at fair value through profit or loss, financial assets measured at amortized cost, and equity investments at fair value through other comprehensive income.

A. Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss include financial assets mandatorily measured at fair value through profit or loss and financial

assets designated as at fair value through profit or loss. Financial assets mandatorily classified as at fair value through profit or loss include equity instrument investments not designated by the company as at fair value through other comprehensive income, and debt instrument investments that do not qualify for classification as measured at amortized cost or at fair value through other comprehensive income.

Financial assets at fair value through profit or loss are measured at fair value, with dividends and interest generated from them recognized in other income and interest income respectively, while gains or losses from remeasurement are recognized in other gains and losses. For the determination of fair value, please refer to Note 34.

B. Financial Assets at Amortized Cost

When the company's investment in financial assets simultaneously meets the following two conditions, they are classified as financial assets measured at amortized cost:

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

Financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable measured at amortized cost, other receivables, and refundable deposits) are, after initial recognition, measured at amortized cost determined using the effective interest method, which is calculated as the gross carrying amount less any impairment loss, with any foreign exchange gains or losses recognized in profit or loss.

Interest income is calculated by multiplying the effective interest rate by the gross carrying amount of the financial asset, except for the following two situations:

- a. For purchased or originated credit-impaired financial assets, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset.
- b. For financial assets that are not purchased or originated credit-impaired but subsequently become credit-impaired, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period after they become credit-impaired.

Cash equivalents include time deposits with high liquidity, which can be converted into a fixed amount of cash at any time with very small risk of value change, and have a maturity of three months or less from the date of acquisition. They are used to meet short-term cash commitments.

C. Equity Investments at Fair Value through Other Comprehensive Income

At initial recognition, the company can make an irrevocable election to designate investments in equity instruments that are not held for trading and are not contingent consideration recognized by an acquirer in a business combination as at fair value through other comprehensive income.

Equity investments at fair value through other comprehensive income are measured at fair value, with subsequent changes in fair value reported in other comprehensive income and accumulated in other equity. Upon disposal of the investment, the accumulated gains and losses are transferred directly to retained earnings and are not reclassified to profit or loss.

Dividends from equity investments at fair value through other comprehensive income are recognized in profit or loss when the company's right to receive payment is established, unless the dividends clearly represent a recovery of part of the investment cost.

(2) Impairment of Financial Assets

The company assesses the impairment loss of financial assets measured at amortized cost (including accounts receivable) based on expected credit losses at each balance sheet date.

Accounts receivable are recognized with an allowance for losses based on lifetime expected credit losses. For other financial assets, the consolidated company first assesses whether credit risk has increased significantly since initial recognition. If it has not increased significantly, an allowance for losses is recognized based on 12-month expected credit losses; if it has increased significantly, an allowance for losses is recognized based on lifetime expected credit losses.

Expected credit losses are weighted average credit losses with the risk of default occurring as the weighting. 12-month expected credit losses represent the expected credit losses that may result from possible default events within 12 months after the reporting date, while lifetime expected credit losses represent the expected credit losses that may result from all possible default events over the expected life of a financial instrument.

The impairment loss for all financial assets is recognized by reducing their carrying amounts through allowance accounts; however, for debt instrument investments measured at fair value through other comprehensive income, the allowance for losses is recognized in other comprehensive income without reducing their carrying amounts.

(3) Derecognition of Financial Assets

The company derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

When a financial asset measured at amortized cost is derecognized in its entirety, the difference between its carrying amount and the consideration received is recognized in profit or loss. When a debt instrument investment measured at fair value through other comprehensive income is derecognized in its entirety, the difference between its carrying amount and the sum of the consideration received plus any cumulative gain or loss that has been recognized in other comprehensive income is recognized in profit or loss. When an equity instrument investment measured at fair value through other comprehensive income is derecognized in its entirety, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

2. Financial Liabilities

(1) Subsequent Measurement

All financial liabilities are measured at amortized cost using the effective interest method.

(2) Derecognition of Financial Liabilities

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

3. Convertible Corporate Bonds

The conversion rights component contained in the proceeds from issuance of convertible bonds is not settled through the exchange of a fixed amount of cash or other financial assets for a fixed number of the company's own equity instruments, and is therefore classified as a derivative financial liability.

At initial recognition, the derivative financial liability component of the convertible corporate bonds is measured at fair value, while the initial carrying amount of the

non-derivative financial liability component is the residual amount after separating the embedded derivative. In subsequent periods, the non-derivative financial liability is measured at amortized cost using the effective interest method, while the derivative financial liability is measured at fair value with changes in fair value recognized in profit or loss. The transaction costs related to the issuance of convertible corporate bonds are allocated proportionally based on relative fair values to the non-derivative financial liability component (included in the carrying amount of the liability) and the derivative financial liability component (recognized in profit or loss).

(13) Provisions

The amount recognized as a provision is the best estimate of the expenditure required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties of the obligation. Provisions are measured at the discounted value of the estimated cash flows required to settle the obligation.

Warranties

Warranty obligations to ensure that products comply with the agreed specifications are recognized when the related goods are recognized as revenue, based on management's best estimate of the expenditure required to settle the company's obligation.

(14) Revenue Recognition

The company identifies performance obligations in customer contracts, allocates the transaction price to each performance obligation, and recognizes revenue when each performance obligation is satisfied.

Sales revenue of commodities

Sales revenue of commodities is derived from the manufacture of mask packages, their design services, and sales of semiconductor-related products. Since customers have the right to determine prices and use the products at the time of shipment, as well as bear the primary responsibility for resale and assume the risk of product obsolescence, the company recognizes revenue and accounts receivable at that point in time.

(15) Leases

The Company assesses whether a contract is (or contains) a lease at the inception date of the contract.

1. The Company as Lessor

When lease terms transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee, the lease is classified as a finance lease. All other leases are classified as operating leases.

Under a finance lease, lease payments include fixed payments, in-substance fixed payments, variable lease payments that depend on an index or rate, guaranteed residual values, the exercise price of a purchase option reasonably certain to be exercised, and lease termination penalties reflected in the lease term, less lease incentives payable. The net lease investment is measured and presented as finance lease receivables at the sum of the present values of the lease payments receivable and the unguaranteed residual value, plus initial direct costs. Finance income is allocated to each accounting period to reflect a constant periodic rate of return on the company's net investment in the lease that is not yet due.

Under operating leases, lease payments, less lease incentives, are recognized as income on a straight-line basis over the relevant lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as an expense on a straight-line basis over the lease term.

Variable rents in lease agreements that do not depend on an index or rate are recognized as income in the period in which they occur.

2. The Company as Lessee

Except for lease payments for low-value underlying asset leases and short-term leases that are eligible for recognition exemption, which are recognized as expenses on a straight-line basis over the lease term, all other leases are recognized as right-of-use assets and lease liabilities on the lease commencement date.

Right-of-use assets are initially measured at cost (including the initial measurement amount of the lease liability, lease payments made before the lease commencement date less lease incentives received, initial direct costs, and estimated costs of restoring the underlying asset), and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of the lease liability. Right-of-use assets are presented separately in the parent company only balance sheet.

Right-of-use assets are depreciated on a straight-line basis from the lease commencement date until the end of their useful life or the end of the lease term, whichever comes first.

Lease liabilities are initially measured at the present value of lease payments (including fixed payments, in-substance fixed payments, variable lease payments that depend on an index or rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option that the lessee is reasonably certain to exercise, and lease termination penalties reflected in the lease term, less lease incentives received). If the interest rate implicit in the lease is readily determinable, the lease payments are discounted using that rate. If that rate is not readily determinable, the lessee's incremental borrowing rate is used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, and interest expense is allocated over the lease term. When there are changes in the lease term, expected payments under residual value guarantees, assessment of purchase options for the underlying asset, or changes in indices or rates used to determine lease payments resulting in changes in future lease payments, the company remeasures the lease liability and makes a corresponding adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset has been reduced to zero, the remaining remeasurement amount is recognized in profit or loss. For lease modifications that are not accounted for as separate leases, the remeasurement of lease liabilities due to a reduction in the scope of the lease is used to reduce the right-of-use asset, and the profit or loss from partial or complete termination of the lease is recognized; the remeasurement of lease liabilities due to other modifications is used to adjust the right-of-use asset. Lease liabilities are presented separately in the parent company only balance sheet.

(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 until substantially all the necessary activities to prepare the assets for their intended use or sale are complete.

Investment income earned on the temporary investment of specific borrowings prior to their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(17) Employee Benefits

1. Short-term Employee Benefits

Short-term employee benefit liabilities are measured at the undiscounted amount expected to be paid in exchange for employee services.

2. Post-employment Benefits

Pension contributions under the defined contribution pension plan are recognized as expenses during the period when employees render services.

The defined benefit costs (including service costs, net interest, and remeasurements) of defined benefit retirement plans are actuarially determined using the Projected Unit Credit Method. Service costs (including current service costs) and net interest on the net defined benefit liability (asset) are recognized as employee benefit expenses when incurred. Remeasurements (including actuarial gains and losses, changes in the effect of the asset ceiling, and the return on plan assets excluding interest) are recognized in

other comprehensive income and included in retained earnings when incurred, and are not reclassified to profit or loss in subsequent periods.

The net defined benefit liability (asset) represents the funding deficit (surplus) of the defined benefit retirement plan. The net defined benefit asset cannot exceed the present value of any refunds from the plan or reductions in future contributions to the plan.

(18) Employee Stock Options

Employee share options granted to employees

Employee share options are recognized as expenses on a straight-line basis over the vesting period based on the fair value of the equity instruments on the grant date and the best estimate of the number expected to vest, with a corresponding adjustment to capital surplus - employee stock options. If the stock options vest immediately on the grant date, the expense is fully recognized on the grant date. The Company allocates shares for employee subscription in cash capital increases and transfers treasury shares to employees, with the board approval date as the grant date.

(19) Income Tax

Income tax expense is the sum of current income tax and deferred income tax.

1. Current Income Tax

The additional income tax on undistributed earnings calculated according to the Income Tax Act of the Republic of China is recognized in the year when the shareholders' meeting resolves the distribution.

Adjustments to income tax payable from previous years are included in current income tax.

2. Deferred Income Tax

Deferred income tax is calculated based on temporary differences between the carrying amounts of assets and liabilities recorded in the books and their tax bases used for calculating taxable income.

Deferred income tax liabilities are generally recognized for all taxable temporary differences, while deferred income tax assets are recognized when it is probable that taxable income will be available to utilize deductible temporary differences, loss carryforwards, or income tax credits generated from the purchase of machinery and equipment, research and development, and personnel training expenses.

Taxable temporary differences related to investments in subsidiaries, associates, and joint arrangements are all recognized as deferred income tax liabilities, except where

the company can control the timing of the reversal of the temporary difference, and the temporary difference is unlikely to reverse in the foreseeable future. Deductible temporary differences related to such investments are recognized as deferred income tax assets only to the extent that it is probable that sufficient taxable income will be available to utilize the temporary differences, and the differences are expected to reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered. Deferred income tax assets that were not originally recognized are also reviewed at each balance sheet date, and the carrying amount is increased to the extent that it is probable that future taxable income will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred income tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

3. Current and Deferred Income Tax

Current and deferred income taxes are recognized in profit or loss, except for current and deferred income taxes related to items recognized in other comprehensive income or directly in equity, which are recognized in other comprehensive income or directly in equity, respectively.

5. **The Primary Sources of Uncertainties in Major Accounting Judgments, Estimates, and Assumptions**

When adopting accounting policies, for information not easily obtained from other sources, the management of the company must make relevant judgments, estimates, and assumptions based on historical experience and other relevant factors. Actual results may differ from estimates.

After evaluation by the management of the company, there are no significant accounting judgments, estimates, or assumption uncertainties.

6. Cash and Cash Equivalents

| | December 31, 2024 | December 31, 2023 |
|-----------------------------------------------------------------------------|------------------------------|------------------------------|
| Cash on Hand and Petty Cash | \$ 546 | \$ 603 |
| Bank Checks and Demand Deposits | 1,428,770 | 1,841,879 |
| Cash Equivalents (Investments with Original Maturities of 3 Months or Less) | | |
| Bank Time Deposits | <u>150,000</u> | <u>-</u> |
| | <u>\$ 1,579,316</u> | <u>\$ 1,842,482</u> |

The interest rate range for bank deposits as of the balance sheet date is as follows:

| | December 31, 2024 | December 31, 2023 |
|-----------------|------------------------------|------------------------------|
| Demand Deposits | 0.002% ~ 0.9% | 0.001% ~ 1.45% |
| Time Deposits | 1.56% | - |

7. Financial Instruments at Fair Value through Profit or Loss

| | December 31, 2024 | December 31, 2023 |
|----------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <u>Financial Assets - Current</u> | | |
| Mandatory Fair Value through Profit or Loss Derivatives (Not Designated as Hedging) - Conversion Option (Note 20) | <u>\$ 958</u> | <u>\$ 1,000</u> |
| <u>Financial Assets - Non-current</u> | | |
| Financial assets mandatorily measured at fair value through profit or loss - domestic limited partnership (non-derivative) | <u>\$ 44,212</u> | <u>\$ -</u> |
| <u>Financial Liabilities - Current</u> | | |
| Held-for-Trading Derivatives (Not Designated for Hedging) - Conversion Options (Note 20) | <u>\$ 120</u> | <u>\$ 3,300</u> |

8. Financial Assets at Fair Value through Other Comprehensive Income

Equity Instrument Investments

| | <u>December 31,</u> <u>2024</u> | <u>December 31,</u> <u>2023</u> |
|------------------------------------|------------------------------------|------------------------------------|
| <u>Non-current</u> | | |
| Domestic Investments | | |
| Publicly traded placement shares | | |
| Symtek | \$ - | \$ 398,437 |
| Domestic publicly traded shares | | |
| Symtek | 861,470 | 16,897 |
| Emerging stock | | |
| MicroProgram Information Co., Ltd. | <u>224,147</u> | <u>-</u> |
| | <u>\$ 1,085,617</u> | <u>\$ 415,334</u> |

The Company invested in the common shares of domestic listed, OTC, and emerging stocks in accordance with its medium and long-term strategic objectives, and expects to profit through long-term investments. The management of the company believes that including the short-term fair value fluctuations of these investments in profit or loss would be inconsistent with the aforementioned long-term investment planning, therefore they chose to designate these investments as fair value through other comprehensive income.

Some of the Symtek shares held by the Company are private placement common shares, which are subject to transfer restrictions in accordance with Article 43-8 of the Securities and Exchange Act.

9. Financial Assets at Amortized Cost

| | <u>December 31,</u> <u>2024</u> | <u>December 31,</u> <u>2023</u> |
|--------------------------------------------------------------|------------------------------------|------------------------------------|
| <u>Current</u> | | |
| Time deposits with original maturities of more than 3 months | <u>\$ 304,907</u> | <u>\$ 362,054</u> |

As of December 31, 2024 and 2023, the interest rates on time deposits were 0.54% to 3.6% per annum and 1.575% to 5.4% per annum, respectively.

10. Notes receivable, accounts receivable, other receivables and overdue receivables

| | <u>December 31,</u> <u>2024</u> | <u>December 31,</u> <u>2023</u> |
|----------------------------------------------------|------------------------------------|------------------------------------|
| <u>Notes Receivable</u> | | |
| Measured at amortized cost | | |
| Total carrying amount | \$ 361 | \$ 203 |
| Less: Loss allowance | <u>-</u> | <u>-</u> |
| | <u>\$ 361</u> | <u>\$ 203</u> |
| Arising from business operations | <u>\$ 361</u> | <u>\$ 203</u> |
| <u>Accounts Receivable</u> | | |
| Measured at amortized cost | | |
| Total carrying amount | \$ 960,933 | \$ 626,301 |
| Less: Loss allowance | (1,450) | (3,061) |
| | <u>\$ 959,483</u> | <u>\$ 623,240</u> |
| Accounts receivable - related parties (Note 35) | | |
| Measured at amortized cost | | |
| Total carrying amount | \$ 114,172 | \$ 98,688 |
| Less: Loss allowance | <u>-</u> | <u>-</u> |
| | <u>\$ 114,172</u> | <u>\$ 98,688</u> |
| <u>Other Receivables</u> | | |
| Other receivables - Non-related parties | | |
| Land receivables (Note 32) | \$ - | \$ 32,722 |
| Receivable for business tax refund | 13,000 | - |
| Dividends receivable | 8,088 | 11,847 |
| Interest receivable | 610 | 2,198 |
| Others | <u>2,744</u> | <u>1,995</u> |
| | <u>\$ 24,442</u> | <u>\$ 48,762</u> |
| Other receivables - related parties (Note 35) | <u>\$ 3,493</u> | <u>\$ 29,007</u> |
| Non-performing receivables | | |
| Measured at amortized cost | | |
| Total carrying amount | \$ 1,387 | \$ - |
| Less: Loss allowance | (1,387) | <u>-</u> |
| | <u>\$ -</u> | <u>\$ -</u> |

Accounts Receivable

The average credit period granted by the Company for product sales ranges from 60 to 120 days. When determining the recoverability of accounts receivable, the company considers any changes in credit quality of the accounts receivable from the original credit date to the balance

sheet date. To mitigate credit risk, the company's management has assigned a dedicated team responsible for determining credit limits, credit approvals, and other monitoring procedures to ensure appropriate actions are taken for the collection of overdue receivables. Furthermore, the company reviews the recoverable amount of each receivable on the balance sheet date to ensure that appropriate impairment losses have been recognized for irrecoverable receivables. Accordingly, the Company's management believes that the Company's credit risk has been significantly reduced.

The company adopts the simplified approach of IFRS 9 to recognize the allowance for losses on accounts receivable based on lifetime expected credit losses. Lifetime expected credit losses are calculated using a provision matrix, which considers the customer's past default records, current financial condition, and industry economic conditions. Since the company's credit loss historical experience shows that there are no significant differences in loss patterns among different customer groups, the provision matrix does not further differentiate customer groups, but only establishes expected credit loss rates based on the number of days past due for notes receivable and the number of days since initial recognition for accounts receivable.

If there is evidence indicating that the counterparty is facing severe financial difficulties and the company cannot reasonably expect to recover the amount, such as when the counterparty is undergoing liquidation or the debt has been overdue for more than 365 days, the company directly reclassifies it as collection accounts and continues collection activities. Any amounts recovered from these collection efforts are offset against the related collection accounts.

The Company measures the allowance for losses on notes receivable and accounts receivable using a provision matrix as follows:

Notes Receivable

December 31, 2024

| | |
|--------------------------------------------------------|----------------------------|
| | <u>Not past due</u> |
| Expected credit loss rate | 0% |
| Total carrying amount | \$ 361 |
| Allowance for losses (lifetime expected credit losses) | <u>-</u> |
| Amortized cost | <u>\$ 361</u> |

December 31, 2023

| | |
|--------------------------------------------------------|----------------------------|
| | <u>Not past due</u> |
| Expected credit loss rate | 0% |
| Total carrying amount | \$ 203 |
| Allowance for losses (lifetime expected credit losses) | <u>-</u> |
| Amortized cost | <u>\$ 203</u> |

Accounts Receivable

December 31, 2024

| | <u>1-90 days</u> | <u>91-180 days</u> | <u>181-270 days</u> | <u>271-365 days</u> | <u>Total</u> |
|--------------------------------------------------------|-------------------|--------------------|---------------------|---------------------|--------------------|
| Expected credit loss rate | 0.03% | 0.5% | 1.83% | 1.77% | |
| Total carrying amount | \$ 899,357 | \$ 152,739 | \$ 17,751 | \$ 5,258 | \$1,075,105 |
| Allowance for losses (lifetime expected credit losses) | (<u>261</u>) | (<u>771</u>) | (<u>325</u>) | (<u>93</u>) | (<u>1,450</u>) |
| Amortized cost | <u>\$ 899,096</u> | <u>\$ 151,968</u> | <u>\$ 17,426</u> | <u>\$ 5,165</u> | <u>\$1,073,655</u> |

December 31, 2023

| | <u>1-90 days</u> | <u>91-180 days</u> | <u>181-270 days</u> | <u>271-365 days</u> | <u>Total</u> |
|--------------------------------------------------------|-------------------|--------------------|---------------------|---------------------|-------------------|
| Expected credit loss rate | 0.11% | 1.3% | 4.5% | 4.09% | |
| Total carrying amount | \$ 644,200 | \$ 35,149 | \$ 11,896 | \$ 33,744 | \$ 724,989 |
| Allowance for losses (lifetime expected credit losses) | (<u>689</u>) | (<u>457</u>) | (<u>535</u>) | (<u>1,380</u>) | (<u>3,061</u>) |
| Amortized cost | <u>\$ 643,511</u> | <u>\$ 34,692</u> | <u>\$ 11,361</u> | <u>\$ 32,364</u> | <u>\$ 721,928</u> |

The above is an aging analysis based on the booking date.

The changes in allowance for loss on accounts receivable are as follows:

| | <u>2024</u> | <u>2023</u> |
|-------------------------------------------------|------------------|-----------------|
| Beginning balance | \$ 3,061 | \$ 621 |
| Add: Provision for impairment loss for the year | - | 2,440 |
| Less: Reversal of impairment loss for the year | (224) | - |
| Less: Reclassification for the year | (<u>1,387</u>) | <u>-</u> |
| Ending balance | <u>\$ 1,450</u> | <u>\$ 3,061</u> |

The movement information of allowance for loss on nonperforming loans is as follows:

| | <u>2024</u> | <u>2023</u> |
|---------------------------------------------------|-----------------|------------------|
| Beginning balance | \$ - | \$ 3,221 |
| Add: Reclassification transfer in during the year | 1,387 | - |
| Less: Reversal of impairment loss for the year | <u>-</u> | (<u>3,221</u>) |
| Ending balance | <u>\$ 1,387</u> | <u>\$ -</u> |

11. Inventories

| | December 31, 2024 | December 31, 2023 |
|------------------------|------------------------------|------------------------------|
| Raw materials | \$ 278,300 | \$ 341,763 |
| Semi-finished products | 333,221 | 294,085 |
| Work in progress | 131,574 | 99,411 |
| Finished products | 234,598 | 371,162 |
| Merchandise inventory | - | 8,275 |
| | <u>\$ 977,693</u> | <u>\$ 1,114,696</u> |

The nature of cost of goods sold is as follows:

| | 2024 | 2023 |
|-------------------------------------------------|---------------------|---------------------|
| Cost of inventory sold | \$ 2,456,296 | \$ 1,853,384 |
| Inventory price decline loss (recovery gain) | 22,711 | (11,327) |
| Inventory obsolescence loss | 25,333 | 22,585 |
| Inventory shortage | 2,892 | 1,342 |
| Others | (900) | (778) |
| | <u>\$ 2,506,332</u> | <u>\$ 1,865,206</u> |

12. Investments Accounted for Using the Equity Method

| | December 31, 2024 | December 31, 2023 |
|----------------------------|------------------------------|------------------------------|
| Investment in subsidiaries | \$ 4,434,361 | \$ 2,541,307 |
| Investment in associates | 26,243 | 21,781 |
| | <u>\$ 4,460,604</u> | <u>\$ 2,563,088</u> |

(1) Investment in subsidiaries

| Name of subsidiary | December 31, 2024 | December 31, 2023 |
|----------------------------------------------|------------------------------|------------------------------|
| Rich Point Global Corp. | \$ 639,027 | \$ 510,067 |
| Gudeng Venture Capital Co., Ltd. | 1,596,290 | 967,379 |
| We Solutions Technology Co., Ltd. | 252,778 | 303,790 |
| Gudeng Equipment Co., Ltd. (Note) | 708,318 | 343,515 |
| Gudeng Inc. (USA) | 105,281 | 96,175 |
| Gudeng Aerospace Technologies Corporation | 286,970 | 320,381 |
| Gudeng Japan Co., LTD | 188,080 | - |
| Jia Shuo Construction, Inc. | 209,517 | - |
| Gu Chance Venture Capital CO., LTD.. | 280,607 | - |
| Fu Rui Sheng Industrial Co., Ltd. | 167,493 | - |
| | <u>\$ 4,434,361</u> | <u>\$ 2,541,307</u> |

Ownership interest and voting rights percentage

| <u>Name of subsidiary</u> | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|-------------------------------------------|------------------------------|------------------------------|
| Rich Point Global Corp. | 100% | 100% |
| Gudeng Venture Capital Co., Ltd. | 100% | 100% |
| We Solutions Technology Co., Ltd. | 54.38% | 83.33% |
| Gudeng Equipment Co., Ltd. (Note) | 45.44% | 46.83% |
| Gudeng Inc. (USA) | 51% | 51% |
| Gudeng Aerospace Technologies Corporation | 100% | 100% |
| Gudeng Japan Co., LTD | 100% | - |
| Jia Shuo Construction, Inc. | 100% | - |
| Gu Chance Venture Capital CO., LTD.. | 100% | - |
| Fu Rui Sheng Industrial Co., Ltd. | 100% | - |

Note: This refers to "Gudtech Automation Co., Ltd." which was renamed to Gudeng Equipment Co., Ltd. in February 2023.

For the disclosure regarding the establishment and disposal of the Company's subsidiaries, please refer to Note 33 and Note 34 of the Company's 2024 consolidated financial statements, respectively.

For details of indirectly held subsidiaries of the Company, please refer to Note 41.

The share of profit or loss and other comprehensive income from subsidiaries accounted for using the equity method in 2024 and 2023 was recognized based on the financial statements of each subsidiary for the same period audited by certified public accountants.

(2) Investment in Associates

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|------------------------------------|------------------------------|------------------------------|
| Individually Immaterial Associates | <u>\$ 26,243</u> | <u>\$ 21,781</u> |

For information regarding the business nature, main operating locations, and countries of registration of the aforementioned associates, please refer to Table VII "Information of Investee Companies, Locations... and Other Related Information" in the appendix.

On June 9, 2023, the Company invested in TSS Holdings Limited (hereinafter referred to as "TSS"), acquiring 2,000 thousand common shares of TSS at NT\$10 per share in cash, for a total of NT\$20,000 thousand, representing a 12.5% shareholding. As TSS holds 45% equity in Gudeng Inc. (USA), a subsidiary of the Company, it was determined that the Company has significant influence over TSS.

13. Property, Plant and Equipment

For Own Use

| | <u>Owned Land</u> | <u>Buildings</u> | <u>Machinery Equipment</u> | <u>Leasehold Improvements</u> | <u>Other Equipment</u> | <u>Property Under Construction</u> | <u>Total</u> |
|----------------------------------------------------|---------------------|-------------------|--------------------------------|-----------------------------------|----------------------------|----------------------------------------|---------------------|
| <u>Cost</u> | | | | | | | |
| Balance as of January 1, 2024 | \$ 2,679,129 | \$ 637,321 | \$ 950,969 | \$ 36,497 | \$ 1,243,096 | \$ 868,767 | \$ 6,415,779 |
| Additions | 221,723 | 17,839 | 108,944 | - | 138,375 | 742,472 | 1,229,353 |
| Disposals | (24,630) | - | (954) | - | (4,291) | - | (29,875) |
| Reclassification | 32,079 | 20,000 | 91,293 | - | 26,566 | - | 169,938 |
| Transferred to Investment Properties | (9,341) | (3,750) | - | - | - | - | (13,091) |
| Balance as of December 31, 2024 | <u>\$ 2,898,960</u> | <u>\$ 671,410</u> | <u>\$ 1,150,252</u> | <u>\$ 36,497</u> | <u>\$ 1,403,746</u> | <u>\$ 1,611,239</u> | <u>\$ 7,772,104</u> |
| <u>Accumulated Depreciation and Impairment</u> | | | | | | | |
| Balance as of January 1, 2024 | \$ - | \$ 85,710 | \$ 343,451 | \$ 9,603 | \$ 624,279 | \$ - | \$ 1,063,043 |
| Disposals | - | - | (940) | - | (2,980) | - | (3,920) |
| Depreciation Expense | - | 13,038 | 100,407 | 3,886 | 174,475 | - | 291,806 |
| Transferred to Investment Properties | - | (605) | - | - | - | - | (605) |
| Balance as of December 31, 2024 | <u>\$ -</u> | <u>\$ 98,143</u> | <u>\$ 442,918</u> | <u>\$ 13,489</u> | <u>\$ 795,774</u> | <u>\$ -</u> | <u>\$ 1,350,324</u> |
| Net Amount as of December 31, 2024 | <u>\$ 2,898,960</u> | <u>\$ 573,267</u> | <u>\$ 707,334</u> | <u>\$ 23,008</u> | <u>\$ 607,972</u> | <u>\$ 1,611,239</u> | <u>\$ 6,421,780</u> |
| <u>Cost</u> | | | | | | | |
| Balance as of January 1, 2023 | \$ 2,466,221 | \$ 551,220 | \$ 749,524 | \$ 35,673 | \$ 1,059,324 | \$ 443,480 | \$ 5,305,442 |
| Additions | 204,738 | - | 167,448 | 824 | 155,246 | 425,287 | 953,543 |
| Disposals | (29,490) | - | (24,634) | - | (30,065) | - | (84,189) |
| Reclassification | - | - | 58,631 | - | 58,591 | - | 117,222 |
| Transferred to Investment Properties | (2,556) | (5,973) | - | - | - | - | (8,529) |
| Transferred from Investment Properties | 40,216 | 92,074 | - | - | - | - | 132,290 |
| Balance as of December 31, 2023 | <u>\$ 2,679,129</u> | <u>\$ 637,321</u> | <u>\$ 950,969</u> | <u>\$ 36,497</u> | <u>\$ 1,243,096</u> | <u>\$ 868,767</u> | <u>\$ 6,415,779</u> |
| <u>Accumulated Depreciation and Impairment</u> | | | | | | | |
| Balance as of January 1, 2023 | \$ - | \$ 63,121 | \$ 290,684 | \$ 5,777 | \$ 511,964 | \$ - | \$ 871,546 |
| Disposals | - | - | (22,034) | - | (27,824) | - | (49,858) |
| Depreciation Expense | - | 12,460 | 74,801 | 3,826 | 140,139 | - | 231,226 |
| Transferred to Investment Properties | - | (703) | - | - | - | - | (703) |
| Transferred from Investment Properties | - | 10,832 | - | - | - | - | 10,832 |
| Balance as of December 31, 2023 | <u>\$ -</u> | <u>\$ 85,710</u> | <u>\$ 343,451</u> | <u>\$ 9,603</u> | <u>\$ 624,279</u> | <u>\$ -</u> | <u>\$ 1,063,043</u> |
| Net Amount as of December 31, 2023 | <u>\$ 2,679,129</u> | <u>\$ 551,611</u> | <u>\$ 607,518</u> | <u>\$ 26,894</u> | <u>\$ 618,817</u> | <u>\$ 868,767</u> | <u>\$ 5,352,736</u> |

Depreciation expense is calculated on a straight-line basis over the following useful lives:

| | |
|------------------------|---------------|
| Buildings | 6 to 51 years |
| Machinery Equipment | 4 to 11 years |
| Leasehold Improvements | 5 to 9 years |
| Other Equipment | 1 to 21 years |

The company's significant components of buildings mainly include the main factory building, main building improvements, roads, and fencing, etc., and are depreciated according to their useful lives of 51 years, 21 years, and 20 years.

As of December 31, 2024 and 2023, NT\$297,506 thousand and NT\$216,658 thousand of the Company's land is temporarily registered under third-party names, and the trustees have issued letters of undertaking.

For information on the amount of property, plant and equipment pledged as collateral for loans, please refer to Note XXXVI.

The properties under construction mainly consist of the construction of the Company's building and employee dormitories.

14. Lease Agreements

(1) Right-of-use assets

| | December 31, 2024 | December 31, 2023 |
|---------------------------------------------|------------------------------|------------------------------|
| Right-of-use assets carrying amount | | |
| Buildings | \$ 5,770 | \$ 10,045 |
| Transportation equipment | <u>4,904</u> | <u>3,807</u> |
| | <u>\$ 10,674</u> | <u>\$ 13,852</u> |
| | 2024 | 2023 |
| Additions to right-of-use assets | <u>\$ 3,608</u> | <u>\$ 4,046</u> |
| Depreciation expense of right-of-use assets | | |
| Buildings | \$ 4,275 | \$ 4,253 |
| Transportation equipment | <u>2,511</u> | <u>5,215</u> |
| | <u>\$ 6,786</u> | <u>\$ 9,468</u> |

(2) Lease liabilities

| | December 31, 2024 | December 31, 2023 |
|--------------------------------------|------------------------------|------------------------------|
| Carrying amount of lease liabilities | | |
| Current | <u>\$ 6,584</u> | <u>\$ 6,523</u> |
| Non-current | <u>\$ 4,511</u> | <u>\$ 7,832</u> |

The discount rate range for lease liabilities is as follows:

| | December 31, 2024 | December 31, 2023 |
|--------------------------|------------------------------|------------------------------|
| Buildings | 1.50% | 1.50% |
| Transportation equipment | 1.46% ~ 1.93% | 1.50% ~ 2.00% |

(3) Significant leasing activities and terms

The Company leases certain plants and transportation equipment for operational use, with lease terms ranging from 3 to 5 years. Upon expiration of the lease term, the Company may choose to purchase the transportation equipment at the nominal amount at that time.

(4) Other lease information

| | <u>2024</u> | <u>2023</u> |
|---------------------------------|--------------------|--------------------|
| Short-term lease expenses | <u>\$ 13,071</u> | <u>\$ 12,678</u> |
| Total cash (outflow) for leases | <u>(\$ 20,339)</u> | <u>(\$ 22,774)</u> |

The Company has elected to apply the recognition exemption for building leases that qualify as short-term leases, and does not recognize the related right-of-use assets and lease liabilities for these leases.

All lease commitments with lease terms commencing after the balance sheet date are as follows:

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|-------------------|--------------------------|--------------------------|
| Lease commitments | <u>\$ -</u> | <u>\$ 138</u> |

15. Investment Property

| | <u>Completed investment property</u> |
|---------------------------------------------------|------------------------------------------|
| <u>Cost</u> | |
| Balance as of January 1, 2024 | \$775,338 |
| Transfer from property, plant and equipment | <u>13,091</u> |
| Balance as of December 31, 2024 | <u>\$788,429</u> |
| <u>Accumulated Depreciation and Impairment</u> | |
| Balance as of January 1, 2024 | \$ 53,951 |
| Transfer from property, plant and equipment | 605 |
| Depreciation Expense | <u>7,815</u> |
| Balance as of December 31, 2024 | <u>\$ 62,371</u> |
| Net Amount as of December 31, 2024 | <u>\$726,058</u> |
| <u>Cost</u> | |
| Balance as of January 1, 2023 | \$899,099 |
| Transfer from property, plant and equipment | 8,529 |
| Reclassification to property, plant and equipment | <u>(132,290)</u> |
| Balance as of December 31, 2023 | <u>\$775,338</u> |
| <u>Accumulated Depreciation and Impairment</u> | |
| Balance as of January 1, 2023 | \$ 56,339 |
| Transfer from property, plant and equipment | 703 |
| Reclassification to property, plant and equipment | <u>(10,832)</u> |
| Depreciation Expense | <u>7,741</u> |
| Balance as of December 31, 2023 | <u>\$ 53,951</u> |
| Net Amount as of December 31, 2023 | <u>\$721,387</u> |

The total amount of lease payments to be received from investment properties leased out through operating leases in 2024 and 2023 are as follows:

| | December 31, 2024 | December 31, 2023 |
|--------------|------------------------------|------------------------------|
| 1st year | \$ 10,771 | \$ 38,365 |
| 2nd year | 4,762 | 9,016 |
| 3rd year | 3,962 | 3,562 |
| The 4th year | <u>-</u> | <u>3,562</u> |
| | <u>\$ 19,495</u> | <u>\$ 54,505</u> |

Depreciation for investment property is calculated on a straight-line basis over the following useful lives:

| | |
|---------------|----------|
| Main building | 51 years |
|---------------|----------|

The fair values of investment properties are measured using Level 3 inputs by an independent valuation company as of December 31, 2024 and 2023. The valuation adopts cash flow method and comparison method, with key unobservable inputs including discount rate. The fair value obtained from the valuation is as follows:

| | December 31, 2024 | December 31, 2023 |
|------------|------------------------------|------------------------------|
| Fair value | <u>\$ 1,237,331</u> | <u>\$ 1,198,400</u> |

All of the Company's investment properties are owned by its own equity. For the amount of investment property set as loan collateral, please refer to Note 36.

The Company has no lease commitments beginning after the balance sheet date.

16. Other Intangible Assets

| | <u>Patent rights</u> | <u>Computer software</u> | <u>Golf membership certificate</u> | <u>Total</u> |
|------------------------------------------------|----------------------|--------------------------|------------------------------------|-------------------|
| <u>Cost</u> | | | | |
| Balance as of January 1, 2024 | \$ 99,925 | \$ 111,986 | \$ 8,763 | \$ 220,674 |
| Acquired separately | <u>-</u> | <u>18,593</u> | <u>-</u> | <u>18,593</u> |
| Balance as of December 31, 2024 | <u>\$ 99,925</u> | <u>\$ 130,579</u> | <u>\$ 8,763</u> | <u>\$ 239,267</u> |
| <u>Accumulated amortization and impairment</u> | | | | |
| Balance as of January 1, 2024 | \$ 39,450 | \$ 52,048 | \$ - | \$ 91,498 |
| Amortization Expense | <u>8,764</u> | <u>13,303</u> | <u>-</u> | <u>22,067</u> |
| Balance as of December 31, 2024 | <u>\$ 48,214</u> | <u>\$ 65,351</u> | <u>\$ -</u> | <u>\$ 113,565</u> |
| Net Amount as of December 31, 2024 | <u>\$ 51,711</u> | <u>\$ 65,228</u> | <u>\$ 8,763</u> | <u>\$ 125,702</u> |
| <u>Cost</u> | | | | |
| Balance as of January 1, 2023 | \$ 97,425 | \$ 64,298 | \$ 8,763 | \$ 170,486 |
| Acquired separately | <u>2,500</u> | <u>47,688</u> | <u>-</u> | <u>50,188</u> |
| Balance as of December 31, 2023 | <u>\$ 99,925</u> | <u>\$ 111,986</u> | <u>\$ 8,763</u> | <u>\$ 220,674</u> |
| <u>Accumulated amortization and impairment</u> | | | | |
| Balance as of January 1, 2023 | \$ 30,796 | \$ 43,043 | \$ - | \$ 73,839 |
| Amortization Expense | <u>8,654</u> | <u>9,005</u> | <u>-</u> | <u>17,659</u> |
| Balance as of December 31, 2023 | <u>\$ 39,450</u> | <u>\$ 52,048</u> | <u>\$ -</u> | <u>\$ 91,498</u> |
| Net Amount as of December 31, 2023 | <u>\$ 60,475</u> | <u>\$ 59,938</u> | <u>\$ 8,763</u> | <u>\$ 129,176</u> |

The Company's golf certificates are usage rights. The Company's management believes that the Company has the intention and ability to continuously extend the useful life, therefore, they are classified as intangible assets with indefinite useful lives. Regardless of whether there are any impairment indicators, regular impairment tests are conducted annually. The golf club membership deposit of NT\$12,000 thousand is recorded as refundable deposits.

Amortization expenses are calculated on a straight-line basis according to the following useful lives:

| | |
|-------------------|---------------|
| Computer software | 1 to 9 years |
| Patent rights | 5 to 10 years |

Amortization expenses summarized by function:

| | <u>2024</u> | <u>2023</u> |
|-------------------------------------|------------------|------------------|
| Operating costs | \$ 3,381 | \$ 3,401 |
| General And Administrative Expenses | 9,466 | 5,245 |
| Research and development expenses | <u>9,220</u> | <u>9,013</u> |
| | <u>\$ 22,067</u> | <u>\$ 17,659</u> |

17. Prepayments

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|------------------------|--------------------------|--------------------------|
| <u>Current</u> | | |
| Prepaid inventory | \$ 7,662 | \$ 93,793 |
| Tax offset | 12,106 | 13,367 |
| Other prepaid expenses | <u>16,577</u> | <u>14,286</u> |
| | <u>\$ 36,345</u> | <u>\$ 121,446</u> |

18. Other Assets

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|----------------------|--------------------------|--------------------------|
| <u>Current</u> | | |
| Other Current Assets | | |
| Temporary payment | <u>\$ 4,814</u> | <u>\$ 2,785</u> |

19. Borrowings

(1) Short-term borrowings

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|-----------------------------|--------------------------|--------------------------|
| <u>Unsecured borrowings</u> | | |
| - Bank borrowings | <u>\$ 600,000</u> | <u>\$ 100,000</u> |

The interest rates for bank revolving loans as of December 31, 2024 and 2023 were respectively 1.83%~2.35% and 2.05%.

(2) Long-term borrowings

The Company's borrowings include:

| | Maturity date | Material Terms | Effective Interest Rate | December 31, 2024 | December 31, 2023 |
|--------------------------------------------------------------------|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------|--------------------------|
| <u>Secured loans</u> | | | | | |
| Taiwan Cooperative Bank's Secured Bank Loans in New Taiwan Dollars | 113.6.30 | The loan period is from April 5, 2017 to June 30, 2024, with principal repayment at maturity. | 1.95 | \$ - | \$ 25,000 |
| First Bank's Secured Bank Loans in New Taiwan Dollars | 128.8.6 | The loan period is from August 6, 2019 to August 6, 2039, with principal and interest amortized monthly, and interest charged monthly. (Already repaid early in December 2024) | 2.13 | - | 36,072 |
| Chang Hwa Bank's Secured Bank Loans in New Taiwan Dollars | 129.3.31 | The loan period is from March 31, 2020 to March 31, 2040, with a grace period of 36 installments, divided into 204 installments starting from March 31, 2023, with principal and interest amortized monthly. | 1.90 | 639,479 | 684,906 |
| Chang Hwa Bank's Secured Bank Loans in New Taiwan Dollars | 120.9.30 | The loan period is from September 30, 2024 to September 30, 2031, with a grace period of 12 installments, with principal and interest amortized monthly starting from October 25, 2025. | 2.03 | 100,000 | - |
| Chang Hwa Bank's Secured Bank Loans in New Taiwan Dollars | 120.9.30 | The loan period is from November 22, 2024 to September 30, 2031, with a grace period of 12 installments, with principal and interest amortized monthly starting from November 22, 2025. | 2.03 | 200,000 | - |
| Chang Hwa Bank's Secured Bank Loans in New Taiwan Dollars | 120.9.30 | The loan period is from October 25, 2024 to September 30, 2031, with a grace period of 12 installments, divided into 72 installments starting from September 30, 2025, with principal and interest amortized monthly. | 2.03 | 200,000 | - |
| Bankers Bank's Secured Bank Loans in New Taiwan Dollars | 124.2.21 | The loan period is from February 21, 2020 to February 21, 2035, divided into 180 installments, with fixed annuity, and principal and interest amortized monthly. (Already repaid early in December 2024) | 2.17 | - | 39,956 |
| Taiwan Cooperative Bank's Secured Bank Loans in New Taiwan Dollars | 130.3.2 | From March 2, 2021 to March 2, 2024 is the grace period, during which monthly interest is paid based on the loan amount, and starting from March 2, 2024, it is divided into 204 installments, with principal and interest amortized monthly. | 1.95 | 374,479 | 389,000 |
| Bankers Bank's Secured Bank Loans in New Taiwan Dollars | 130.4.6 | The loan period is from April 6, 2021 to April 6, 2041, divided into 240 installments starting from May 6, 2021, with principal and interest amortized monthly. (Already repaid early in December 2024) | 2.17 | - | 55,792 |
| Taiwan Business Bank's Secured Bank Loans in New Taiwan Dollars | 130.6.25 | From June 25, 2021 to June 25, 2026 is the grace period, during which monthly interest is paid based on the loan amount, and starting from July 25, 2026, it is divided into 180 installments, with principal and interest amortized monthly. | 2.13 | 728,000 | 728,000 |
| Taiwan Business Bank's Secured Bank Loans in New Taiwan Dollars | 131.1.4 | The loan period is from January 4, 2022 to January 4, 2027, is the grace period, during which monthly interest is paid based on the loan amount, and starting from January 4, 2027, it is divided into 180 installments, with principal amortized equally, and interest calculated monthly. | 2.13 | 338,000 | 338,000 |
| Taiwan Business Bank's Secured Bank Loans in New Taiwan Dollars | 118.7.4 | The loan period is from July 4, 2024 to July 4, 2029, with principal and interest repaid in equal monthly installments, and interest calculated monthly. | 2.00 | 137,500 | - |
| Taiwan Business Bank's Secured Bank Loans in New Taiwan Dollars | 118.7.4 | The loan period is from July 4, 2024 to July 4, 2029, with principal and interest repaid in equal monthly installments, and interest calculated monthly. | 2.00 | 154,000 | - |
| Taiwan Business Bank's Secured Bank Loans in New Taiwan Dollars | 118.7.4 | The loan period is from July 4, 2024 to July 4, 2029, with principal and interest repaid in equal monthly installments, and interest calculated monthly. | 2.00 | 110,000 | - |
| Taiwan Cooperative Bank's Secured Bank Loans in New Taiwan Dollars | 114.12.31 | The loan period is from February 25, 2022 to June 30, 2024, with principal repayment due at maturity. | 1.95 | - | 4,390 |
| Taiwan Cooperative Bank's Secured Bank Loans in New Taiwan Dollars | 114.12.31 | The loan period is from July 5, 2022 to June 30, 2024, with principal repayment due at maturity. | 1.95 | - | 4,390 |
| Taiwan Cooperative Bank's Secured Bank Loans in New Taiwan Dollars | 114.12.31 | The loan period is from December 5, 2022 to June 30, 2024, with principal repayment due at maturity. | 1.95 | - | 3,460 |
| Taiwan Cooperative Bank's Secured Bank Loans in New Taiwan Dollars | 114.12.31 | The loan period is from February 17, 2023 to June 30, 2024, with principal repayment due at maturity. | 1.95 | - | 6,920 |
| Taiwan Cooperative Bank's Secured Bank Loans in New Taiwan Dollars | 114.12.31 | The loan period is from March 31, 2023 to June 30, 2024, with principal repayment due at maturity. | 1.95 | - | 3,460 |

(Continued on next page)

(Continued from previous page)

| | Maturity date | Material Terms | Effective Interest Rate | December 31, 2024 | December 31, 2023 |
|----------------------------------------------------------------------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------|--------------------------|
| Taiwan Cooperative Bank's Secured Bank Loans in New Taiwan Dollars | 114.12.31 | The loan period is from June 5, 2023 to June 30, 2024, with principal repayment due at maturity. | 1.95 | \$ - | \$ 10,380 |
| Taiwan Cooperative Bank's Secured Bank Loans in New Taiwan Dollars | 114.12.31 | The loan period is from August 4, 2023 to June 30, 2024, with principal repayment due at maturity. | 1.95 | - | 4,320 |
| Taiwan Cooperative Bank's Secured Bank Loans in New Taiwan Dollars | 115.10.25 | The loan period is from October 25, 2024 to August 2, 2026, with interest calculated monthly and principal repayment due at maturity. | 1.95 | 59,500 | - |
| Taiwan Cooperative Bank's Secured Bank Loans in New Taiwan Dollars | 115.10.25 | The loan period is from October 25, 2024 to October 25, 2026, with interest calculated monthly and principal repayment due at maturity. | 1.95 | 83,000 | - |
| First Bank's Secured Bank Loans in New Taiwan Dollars | 115.8.2 | The loan period is from August 2, 2024 to August 2, 2026, with interest calculated monthly and principal repaid at maturity. | 1.90 | 35,000 | 35,000 |
| <u>Unsecured loan</u> | | | | | |
| Chang Hwa Bank's Unsecured Bank Loans in New Taiwan Dollars | 114.3.31 | The loan period is from April 1, 2020 to March 31, 2025, divided into 60 installments, with principal and interest amortized monthly, and interest calculated monthly. | 2.03 | 5,206 | 20,597 |
| Chang Hwa Bank's Unsecured Bank Loans in New Taiwan Dollars | 114.3.31 | The loan period is from May 15, 2020 to March 31, 2025, divided into 59 installments, with principal and interest amortized monthly, and interest calculated monthly. | 2.03 | 2,646 | 10,469 |
| Unsecured New Taiwan Dollar bank loan from Hua Nan Bank | 117.3.17 | The loan period is from March 17, 2023 to March 17, 2028, with principal and interest amortized monthly, and interest calculated monthly. | 1.95 | - | 62,174 |
| Unsecured New Taiwan Dollar bank loan from Land Bank | 113.10.27 | (Repaid early in March 2024) The loan period is from October 27, 2022 to October 27, 2024, with principal and interest amortized monthly, and interest calculated monthly. | 2.11 | - | 100,000 |
| Unsecured New Taiwan Dollar bank loan from CTBC Bank | 115.9.1 | The loan period is from September 1, 2023 to September 1, 2026, with principal repaid in monthly installments of 5 million, and interest calculated monthly. | 2.286 | 220,000 | 285,000 |
| Bank of Taiwan's Unsecured Bank Loans in New Taiwan Dollars | 115.3.20 | The loan period is from April 2, 2024 to March 20, 2026, with principal repayable at maturity, and interest calculated monthly. | 2.00 | 100,000 | - |
| Bank of Taiwan's Unsecured Bank Loans in New Taiwan Dollars | 115.3.20 | The loan period is from May 2, 2024 to March 20, 2026, with principal repayable at maturity, and interest calculated monthly. | 2.00 | 200,000 | - |
| Unsecured New Taiwan Dollar loan from Taiwan Cooperative Bank | 114.11.2 | The loan period is from November 2, 2023 to November 2, 2025, with interest calculated monthly, and principal repayable at maturity. | 1.88 | - | 180,000 |
| First Bank's Unsecured Bank Loans in New Taiwan Dollars | 114.10.4 | (Repaid early in March 2024) The loan period is from October 4, 2023 to October 4, 2025, with interest calculated monthly, and principal repayable at maturity. | 1.88 | - | 100,000 |
| First Bank's Unsecured Bank Loans in New Taiwan Dollars | 115.8.2 | (Repaid early in August 2024) The loan period is from August 2, 2024 to August 2, 2026, with interest calculated monthly and principal repaid at maturity. | 1.90 | 100,000 | - |
| First Bank's Unsecured Bank Loans in New Taiwan Dollars | 115.7.4 | The loan period is from July 4, 2024 to July 4, 2026, with interest calculated monthly, and principal repayable at maturity. | 1.90 | 200,000 | - |
| Taiwan Cooperative Bank's Unsecured Bank Loans in New Taiwan Dollars | 116.6.30 | The loan period is from May 2, 2024 to June 30, 2027, with principal repayable at maturity, and interest calculated monthly. | 1.95 | 31,860 | - |
| Taiwan Cooperative Bank's Unsecured Bank Loans in New Taiwan Dollars | 115.5.2 | The loan period is from May 2, 2024 to May 2, 2026, with principal repayable at maturity, and interest calculated monthly. | 1.95 | 180,000 | - |
| Taiwan Cooperative Bank's Unsecured Bank Loans in New Taiwan Dollars | 115.7.4 | The loan period is from July 4, 2024 to July 4, 2026, with principal repayable at maturity, and interest calculated monthly. | 1.95 | 200,000 | - |
| Taiwan Cooperative Bank's Unsecured Bank Loans in New Taiwan Dollars | 116.6.30 | The loan period is from October 25, 2024 to June 30, 2027, with principal repayable at maturity, and interest calculated monthly. | 1.95 | 46,120 | - |
| Credit NTD bank loan from Taipei Fubon Bank | 115.2.17 | The loan period is from December 27, 2024 to December 17, 2026, with principal repayable at maturity, and interest calculated monthly. | 2.05 | <u>400,000</u> | <u>-</u> |
| Less: Portion due within 1 year | | | | 4,844,790 | 3,127,286 |
| Long-term borrowings | | | | <u>(229,706)</u> | <u>(223,135)</u> |
| | | | | <u>\$ 4,615,084</u> | <u>\$ 2,904,151</u> |

For the collateral arrangements of the above bank loans, please refer to Notes 36 and 37.

20. Corporate Bonds Payable

| | <u>December 31,</u> <u>2024</u> | <u>December 31,</u> <u>2023</u> |
|------------------------------------------------|------------------------------------|------------------------------------|
| Domestic unsecured convertible corporate bonds | \$ - | \$ 942,415 |
| Less: Portion due within 1 year | <u>384,182</u> | <u>-</u> |
| | <u>\$ 384,182</u> | <u>\$ 942,415</u> |

The 4th domestic unsecured convertible corporate bonds

The company issued 10 thousand units of Taiwan dollar-denominated unsecured convertible corporate bonds in Taiwan on October 18, 2023, with a three-year term and a coupon rate of 0%, for a total principal amount of NT\$1,000,000 thousand.

Each unit of corporate bond holder has the right to convert into common shares of the Company at NT\$374.9 per share. After the conversion price is determined, if there is an increase in the number of issued common shares, the conversion price should be adjusted according to the conversion price adjustment formula.

From the day after three months from the issuance of these convertible bonds to 40 days before the maturity date, if the closing price of the company's common shares exceeds 30% of the conversion price for 30 consecutive business days, the company may, within the following 30 business days, send a "Notice to call back bonds" with a 30-day maturity by registered mail, and upon expiration of that period, redeem all bonds in cash at the face value of the bonds; from the day after three months from the issuance of these convertible bonds to 40 days before the maturity date, if the outstanding balance of these convertible bonds is less than 10% of the original total issuance amount, the company may, at any time thereafter, send a "Notice to call back bonds" with a 30-day maturity by registered mail, and redeem all bonds in cash at the face value of the bonds.

The day after two years from the issuance of these convertible bonds is the base date for bondholders to early redeem these convertible bonds. The company should, 40 business days prior to this date, send a "Notice of Exercise of Put-back Option" with a 5-day maturity by registered mail, and redeem all bonds in cash at the face value of the bonds.

These convertible corporate bonds include liability and equity components, with the equity component presented under equity as capital surplus - stock options. The original effective interest rate for the liability component is 2.14%.

As of December 31, 2024, the Company has executed full conversion at the request of bondholders, with conversion details as follows:

| | <u>2024</u> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| Total amount of bonds requested for conversion | \$ 600,900 |
| Less: Ordinary share capital to be issued at the conversion price stipulated in the issuance regulations for the aforementioned bonds requested for conversion | (<u>16,517</u>) |
| Conversion premium | 584,383 |
| Add: Capital surplus - stock options | 33,918 |
| Financial liabilities at fair value through profit or loss | 320 |
| Less: Corporate bonds payable discount | (25,440) |
| Financial assets at fair value through profit or loss | (2,273) |
| Fractional shares converted to other income | (<u>12</u>) |
| Part of issued ordinary shares included in capital surplus - corporate bond conversion premium | <u>\$ 590,896</u> |

The changes in the debt master contract from the issuance date to December 31, 2024 are as follows:

| | <u>Amount</u> |
|--------------------------------------------------------------------------------------|--------------------|
| Issuance proceeds on October 18, 2023 (less transaction costs of NT\$2,715 thousand) | \$ 997,285 |
| Equity component (less transaction costs allocated to equity of NT\$154 thousand) | (56,446) |
| Derivative component - put option | (3,700) |
| Derivative component - redemption right | <u>1,200</u> |
| Liability component at issuance date (derivative component - redemption right) | 938,339 |
| Interest calculated at effective interest rate of 2.14% | <u>4,076</u> |
| Liability component as of December 31, 2023 | <u>\$ 942,415</u> |
| Liability component as of January 1, 2024 | \$ 942,415 |
| Interest calculated at effective interest rate of 2.14% | 17,227 |
| Conversion of corporate bonds into common shares | (<u>575,460</u>) |
| Liability component as of December 31, 2024 | <u>\$ 384,182</u> |

The 3rd domestic unsecured convertible corporate bonds

The consolidated company issued 10,000 units of unsecured convertible corporate bonds denominated in New Taiwan Dollars with 0% coupon rate in Taiwan on July 7, 2022, with a term of three years and a principal amount totaling NT\$1,000,000 thousand.

Each unit of corporate bond holder has the right to convert into common shares of the Company at NT\$231.4 per share. After the conversion price is determined, if there is an increase in the number of issued common shares, the conversion price should be adjusted according to the conversion price adjustment formula.

From the day after three months from the issuance of these convertible bonds to 40 days before the maturity date, if the closing price of the company's common shares exceeds 30% of the conversion price for 30 consecutive business days, the company may, within the following 30 business days, send a "Notice to call back bonds" with a 30-day maturity by registered mail, and upon expiration of that period, redeem all bonds in cash at the face value of the bonds; from the day after three months from the issuance of these convertible bonds to 40 days before the maturity date, if the outstanding balance of these convertible bonds is less than 10% of the original total issuance amount, the company may, at any time thereafter, send a "Notice to call back bonds" with a 30-day maturity by registered mail, and redeem all bonds in cash at the face value of the bonds.

The day after two years from the issuance of these convertible bonds is the base date for bondholders to early redeem these convertible bonds. The company should, 40 business days prior to this date, send a "Notice of Exercise of Put-back Option" with a 5-day maturity by registered mail, and redeem all bonds in cash at the face value of the bonds.

These convertible corporate bonds include liability and equity components, with the equity component presented under equity as capital surplus - stock options. The original effective interest rate for the liability component is 1.79%.

As of December 31, 2023, the Company has executed full conversion at the request of bondholders, with conversion details as follows:

| | <u>2023</u> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| Total amount of bonds requested for conversion | \$ 964,800 |
| Less: Ordinary share capital to be issued at the conversion price stipulated in the issuance regulations for the aforementioned bonds requested for conversion | (<u>42,478</u>) |
| Conversion premium | 922,322 |
| Add: Capital surplus - stock options | 41,362 |
| Financial liabilities at fair value through profit or loss | 687 |
| Less: Corporate bonds payable discount | (37,968) |
| Financial assets at fair value through profit or loss | (4,082) |
| Fractional shares converted to other income | (<u>30</u>) |
| Part of issued ordinary shares included in capital surplus - corporate bond conversion premium | <u>\$ 922,291</u> |

The changes in the debt master contract from the issuance date to December 31, 2023 are as follows:

| | <u>Amount</u> |
|-----------------------------------------------------------------------------------|--------------------|
| Issuance proceeds on July 7, 2022 (less transaction costs of NT\$5,280 thousand) | \$ 994,720 |
| Equity component (less transaction costs allocated to equity of NT\$228 thousand) | (42,872) |
| Derivative component - put option | (4,500) |
| Derivative component - redemption right | <u>700</u> |
| Liability component at issuance date (derivative component - redemption right) | 948,048 |
| Interest calculated at effective interest rate of 1.79% | 8,300 |
| Conversion of corporate bonds into common shares | (<u>33,766</u>) |
| Liability component as of December 31, 2022 | <u>\$ 922,582</u> |
| | |
| Liability component as of January 1, 2023 | \$ 922,582 |
| Interest calculated at effective interest rate of 1.79% | 4,250 |
| Conversion of corporate bonds into common shares | (<u>926,832</u>) |
| Liability component as of December 31, 2023 | <u>\$ -</u> |

21. Notes Payable and Accounts Payable

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|-----------------------------------|------------------------------|------------------------------|
| <u>Accounts Payable</u> | | |
| Arising from operations - | | |
| Non-related parties | <u>\$ 306,660</u> | <u>\$ 327,347</u> |
| | | |
| <u>Accounts Payable</u> | | |
| Incurred from business operations | | |
| - related parties (Note 35) | <u>\$ 37,882</u> | <u>\$ 45,520</u> |

The company has an average credit period of 1-3 months for the purchase of certain goods, and no interest is charged on accounts payable. The company has established financial risk management policies to ensure that all payables are paid within pre-agreed credit terms.

22. Other Liabilities

| | <u>December 31,</u> <u>2024</u> | <u>December 31,</u> <u>2023</u> |
|-----------------------------------------|------------------------------------|------------------------------------|
| <u>Current</u> | | |
| Other Payables | | |
| Payables for equipment | \$ 138,355 | \$ 120,279 |
| Payables for salaries and bonuses | 170,492 | 102,871 |
| Payables for employee compensation | 41,827 | 31,429 |
| Payables for directors' compensation | 40,713 | 31,428 |
| Payables for interest | 3,056 | 3,242 |
| Payables for vacation benefits | 13,892 | 17,919 |
| Payables for dividends | 364,232 | 377,883 |
| Others | <u>172,395</u> | <u>150,084</u> |
| | <u>\$ 944,962</u> | <u>\$ 835,135</u> |
| Other liabilities | | |
| Temporary receipts | \$ 216 | \$ 237 |
| Collections for others | <u>4,005</u> | <u>2,372</u> |
| | <u>\$ 4,221</u> | <u>\$ 2,609</u> |

23. Provisions

| | <u>December 31,</u> <u>2024</u> | <u>December 31,</u> <u>2023</u> |
|----------------|------------------------------------|------------------------------------|
| <u>Current</u> | | |
| Warranties | <u>\$ 2</u> | <u>\$ 68</u> |

The provision for warranty liabilities is based on the contractual obligations for product sales, representing the present value of the best estimate by the company's management regarding the outflow of future economic benefits due to warranty obligations. This estimate is based on historical warranty experience and adjusted for events affecting product quality, such as new materials, manufacturing process changes, or other factors.

24. Post-Employment Benefit Plans

(1) Defined Contribution Plans

The retirement system applicable to the Company under the "Labor Pension Act" is a defined contribution retirement plan managed by the government, whereby 6% of employees' monthly salaries are contributed as retirement funds to individual accounts at the Bureau of Labor Insurance.

(2) Defined Benefit Plans

The retirement system implemented by the Company in accordance with Taiwan's "Labor Standards Act" is a defined benefit retirement plan managed by the government. Employee pension payments are calculated based on years of service and the average wage over the 6 months prior to the approved retirement date. These companies contribute 2% of employees' total monthly salaries as retirement funds, which are deposited into a dedicated account at the Bank of Taiwan under the name of the Labor Retirement Reserve Supervision Committee. Before the end of each fiscal year, if the estimated balance in the dedicated account is insufficient to pay employees expected to meet retirement conditions in the following year, the difference will be contributed in a lump sum by the end of March of the following year. The dedicated account is managed by the Bureau of Labor Funds, Ministry of Labor, and the company does not have the right to influence investment management strategies.

The amounts of defined benefit plans included in the separate balance sheets are shown as follows:

| | December 31, 2024 | December 31, 2023 |
|----------------------------------------------|------------------------------|------------------------------|
| Present value of defined benefit obligations | \$ 39,491 | \$ 32,692 |
| Fair value of plan assets | (336) | (1,517) |
| Net Defined Benefit Liabilities | <u>\$ 39,155</u> | <u>\$ 31,175</u> |

The changes in net defined benefit liability are as follows:

| | Present value of defined benefit obligations | Fair value of plan assets | Net Defined Benefit Liabilities |
|---------------------------------------------------|-----------------------------------------------------------------|--------------------------------------|------------------------------------------------|
| January 1, 2024 | <u>\$ 32,692</u> | (\$ 1,517) | <u>\$ 31,175</u> |
| Interest expense (income) | <u>379</u> | (19) | <u>360</u> |
| Recognized in profit or loss | <u>379</u> | (19) | <u>360</u> |
| Remeasurements | | | |
| Actuarial loss - changes in financial assumptions | 592 | - | 592 |
| Actuarial loss - experience adjustments | <u>7,197</u> | (134) | <u>7,063</u> |
| Recognized in other comprehensive income | <u>7,789</u> | (134) | <u>7,655</u> |
| Employer contributions | - | (35) | (35) |
| Benefit payments | (1,369) | <u>1,369</u> | <u>-</u> |
| December 31, 2024 | <u>\$ 39,491</u> | (\$ 336) | <u>\$ 39,155</u> |

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| | Present value of defined benefit obligations | Fair value of plan assets | Net Defined Benefit Liabilities |
|------------------------------------------------------|-----------------------------------------------------------------|--------------------------------------|------------------------------------------------|
| January 1, 2023 | <u>\$ 31,214</u> | <u>(\$ 5,104)</u> | <u>\$ 26,110</u> |
| Interest expense (income) | <u>531</u> | <u>(88)</u> | <u>443</u> |
| Recognized in profit or loss | <u>531</u> | <u>(88)</u> | <u>443</u> |
| Remeasurements | | | |
| Actuarial loss - changes in financial assumptions | 1,576 | - | 1,576 |
| Actuarial loss - experience adjustments | <u>3,280</u> | <u>18</u> | <u>3,298</u> |
| Recognized in other comprehensive income | <u>4,856</u> | <u>18</u> | <u>4,874</u> |
| Employer contributions | - | <u>(252)</u> | <u>(252)</u> |
| Benefit payments | <u>(3,909)</u> | <u>3,909</u> | <u>-</u> |
| December 31, 2023 | <u>\$ 32,692</u> | <u>(\$ 1,517)</u> | <u>\$ 31,175</u> |

The amounts recognized in profit or loss for defined benefit plans are summarized by function as follows:

| | <u>2024</u> | <u>2023</u> |
|----------------------------------------|---------------|---------------|
| General And Administrative Expenses | <u>\$ 360</u> | <u>\$ 443</u> |

The Company is exposed to the following risks due to the retirement system under the "Labor Standards Act":

1. Investment risk: The Bureau of Labor Funds, Ministry of Labor, through self-operation and commissioned management, invests labor retirement funds in domestic (foreign) equity securities, debt securities, and bank deposits, among other targets. However, the amount of plan assets distributable to the company is calculated based on earnings at a rate not lower than the local bank's 2-year time deposit rate.
2. Interest rate risk: A decrease in government bond interest rates will increase the present value of the defined benefit obligation, but the return on debt investments in plan assets will also increase accordingly, resulting in a partially offsetting effect on the net defined benefit liability.
3. Salary risk: The calculation of the present value of the defined benefit obligation is based on the future salaries of plan members. Therefore, an increase in plan members' salaries will increase the present value of the defined benefit obligation.

The present value of the consolidated company's defined benefit obligation is determined by qualified actuaries, with the significant assumptions on the measurement date as follows:

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|-------------------------------|--------------------------|--------------------------|
| Discount rate | 1.5205% | 1.1580% |
| Expected salary increase rate | 4.5000% | 4.0000% |

Mortality rate is based on the 2021 Taiwan Life Insurance Industry Experience Life Table.

The turnover rate is adopted based on the data obtained from the employee turnover rate experience provided by the company and consideration of future trends, with appropriate adjustments.

If significant actuarial assumptions individually experience reasonably possible changes, while all other assumptions remain unchanged, the amount by which the present value of the defined benefit obligation would increase (decrease) is as follows:

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|-------------------------------|--------------------------|--------------------------|
| Discount rate | | |
| Increase of 0.5% | (\$ 1,708) | (\$ 1,457) |
| Decrease of 0.5% | <u>\$ 1,814</u> | <u>\$ 1,538</u> |
| Expected salary increase rate | | |
| Increase of 0.5% | <u>\$ 1,738</u> | <u>\$ 1,474</u> |
| Decrease of 0.5% | (\$ 1,655) | (\$ 1,413) |

Since actuarial assumptions may be correlated with each other, the possibility of only a single assumption changing is unlikely; therefore, the above sensitivity analysis may not reflect the actual changes in the present value of the defined benefit obligation.

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|-------------------------------------------------------|--------------------------|--------------------------|
| Expected contribution amount within 1 year | <u>\$ 38</u> | <u>\$ 262</u> |
| Average maturity period of defined benefit obligation | 9.1 years | 9.3 years |

25. Equity

(1) Common stock capital and stock subscriptions received in advance

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|----------------------------------------------------------|--------------------------|--------------------------|
| Authorized shares (thousand shares) | <u>150,000</u> | <u>150,000</u> |
| Authorized capital | <u>\$ 1,500,000</u> | <u>\$ 1,500,000</u> |
| Number of issued and fully paid shares (thousand shares) | <u>95,850</u> | <u>94,184</u> |
| Issued capital | <u>\$ 958,505</u> | <u>\$ 941,844</u> |
| Stock Subscriptions Received in Advance | <u>\$ 984</u> | <u>\$ 1,128</u> |

On August 30, 2023, the Board of Directors resolved to issue 5,800 thousand new shares through a cash capital increase, with a par value of NT\$10 per share, to be issued at a premium of NT\$300 per share. The aforementioned cash capital increase was approved by the Securities and Futures Bureau of the FSC on September 25, 2023, and the Board of Directors resolved to set October 24, 2023 as the record date for the capital increase, with the registration of the change completed on January 2, 2024.

In 2024 and 2023, the Company's corporate bonds were converted into 1,652 and 4,248 ordinary shares respectively, with a par value of NT\$10 per share, totaling NT\$16,517 thousand and NT\$42,478 thousand.

As of December 31, 2024 and 2023, the bondholders of the Company's corporate bonds have requested to convert unsecured corporate bonds into 98 thousand and 113 thousand ordinary shares, respectively, which are recorded as advance receipts for share capital of NT\$984 thousand and NT\$1,128 thousand. The Company will process the registration of changes after issuing new shares on the capital increase record date according to law.

(2) Capital Surplus

| | December 31, 2024 | December 31, 2023 |
|-------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| Can be used to offset losses, distribute cash or transfer to capital (1) | | |
| Share premium | \$ 4,412,831 | \$ 4,412,831 |
| Convertible bond premium | 1,822,372 | 1,231,476 |
| Treasury stock transactions | 200,461 | 200,461 |
| Changes in equity of associates and joint ventures accounted for using equity method | 1,082 | 1,082 |
| Difference between the actual acquisition or disposal value of subsidiaries' shares and their book value | 122,839 | 86,856 |
| Can only be used to offset losses (2) | | |
| Recognition of changes in ownership equity of subsidiaries | 302,943 | - |
| Changes in equity of associates and joint ventures accounted for using equity method | 3,450 | - |
| <u>Cannot be used for any purpose</u> | | |
| Stock warrants | <u>22,528</u> | <u>56,446</u> |
| | <u>\$ 6,888,506</u> | <u>\$ 5,989,152</u> |

1. This type of capital reserve can be used to offset losses, and can also be used to distribute cash or to be capitalized when the company has no losses. However, when being capitalized, it is limited to a certain percentage of the paid-in capital each year.
2. This type of capital reserve represents the impact of equity transactions recognized from changes in subsidiaries' equity when the Company has not actually acquired or disposed of subsidiaries' shares, or the adjustment amount from the Company's recognition of subsidiaries' capital reserve under the equity method.

(3) Retained Earnings and Dividend Policy

According to the dividend distribution policy stipulated in the Company's Articles of Incorporation, the Company may distribute profits or make up losses after the end of each half fiscal year. When the distribution is made by issuing new shares, it shall be submitted to the shareholders' meeting for resolution and then distributed; when it is made in cash, it shall be resolved by the Board of Directors and reported to the shareholders' meeting.

According to the dividend distribution policy stipulated in the Company's Articles of Incorporation, if there is a profit in the annual financial statement, after paying taxes in accordance with the law and offsetting accumulated losses, 10% shall be set aside as legal reserve, followed by the appropriation or reversal of special reserve as required by law; if there is still a balance, it shall be combined with the accumulated undistributed earnings, and the Board of Directors shall propose a profit distribution plan and submit it to the shareholders' meeting for resolution on the distribution of shareholders' dividends. Please refer to Note 27 (7) Employee Compensation and Directors' Remuneration for the employee and director remuneration distribution policy stipulated in the Company's Articles of Incorporation.

The legal reserve must be set aside until its balance reaches the total amount of the Company's paid-in capital. The legal reserve may be used to offset losses. When the company has no losses, the portion of the legal reserve that exceeds 25% of the total paid-in capital may be capitalized or distributed in cash.

The Company appropriates and reverses special reserve in accordance with the Financial Supervisory Commission's Letters No. 1010012865 and No. 1090150022. When there is a subsequent reversal of the net amount of other equity deduction items, the special reserve may be reversed for the distribution of earnings to the extent of the reversal.

The Company made resolutions at the Board of Directors meeting regarding the 2022 earnings distribution as follows:

| | July 1 to December 31, 2022 | January 1 to June 30, 2022 |
|--------------------------------|----------------------------------------|---------------------------------------|
| Board resolution date | March 29, 2023 | November 9, 2022 |
| Legal Reserve | <u>\$ 45,417</u> | <u>\$ 47,775</u> |
| Special Reserve | <u>(\$ 10,427)</u> | <u>\$ 151,184</u> |
| Cash dividend | <u>\$ 346,353</u> | <u>\$ 336,998</u> |
| Cash dividend per share (NT\$) | <u>\$ 4.0</u> | <u>\$ 4.0</u> |

The aforementioned cash dividend has been allocated by resolution of the Board of Directors, and the remaining distribution items were also resolved at the Annual General Meeting of Shareholders held on May 24, 2023.

The Company has resolved the distribution of 2023 earnings at the Board of Directors meeting as follows:

| | July 1 to December 31, 2023 | January 1 to June 30, 2023 |
|--------------------------------|----------------------------------------|---------------------------------------|
| Board resolution date | March 6, 2024 | November 8, 2023 |
| Legal Reserve | <u>\$ 42,317</u> | <u>\$ 48,184</u> |
| Special Reserve | <u>\$ -</u> | <u>(\$ 146,666)</u> |
| Cash dividend | <u>\$ 330,040</u> | <u>\$ 377,883</u> |
| Cash dividend per share (NT\$) | <u>\$ 3.5</u> | <u>\$ 4.27</u> |

The aforementioned cash dividend has been allocated by resolution of the Board of Directors, and the remaining distribution items were also resolved at the Annual General Meeting of Shareholders held on May 24, 2024.

The Company has resolved the distribution of 2024 earnings at the Board of Directors meeting as follows:

| | July 1 to December 31, 2024 | January 1 to June 30, 2024 |
|--------------------------------|----------------------------------------|---------------------------------------|
| Board resolution date | March 5, 2025 | November 6, 2024 |
| Legal Reserve | <u>\$ 67,392</u> | <u>\$ 49,386</u> |
| Special Reserve | <u>\$ -</u> | <u>\$ -</u> |
| Cash dividend | <u>\$ 489,800</u> | <u>\$ 364,232</u> |
| Cash dividend per share (NT\$) | <u>\$ 5.1</u> | <u>\$ 3.8</u> |

The aforementioned cash dividend has been allocated by resolution of the Board of Directors, and the remaining earnings distribution items are pending resolution at the Annual General Meeting of Shareholders to be held on May 23, 2025.

26. Revenue

| | <u>2024</u> | <u>2023</u> |
|---------------------------------------|---------------------|---------------------|
| Revenue from contracts with customers | | |
| Sales revenue of commodities | \$ 3,990,716 | \$ 3,231,981 |
| Other operating revenue | <u>454,440</u> | <u>263,652</u> |
| | <u>\$ 4,445,156</u> | <u>\$ 3,495,633</u> |

(1) Description of contracts with customers

Sales revenue of commodities

Sales revenue of commodities is derived from the manufacture of mask packages, their design services, and sales of semiconductor-related products. Since customers have the right to determine prices and use the products at the time of shipment, as well as bear the primary responsibility for resale and assume the risk of product obsolescence, the company recognizes revenue and accounts receivable at that point in time.

(2) Contract balance

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> | <u>January 1, 2023</u> |
|-----------------------------------------|------------------------------|------------------------------|----------------------------|
| Accounts receivable (Note 10) | <u>\$ 1,073,655</u> | <u>\$ 721,928</u> | <u>\$ 853,281</u> |
| Contract liabilities - advance receipts | | | |
| Sales of commodities | \$ 2,164 | \$ 87,059 | \$ 81,359 |
| Others | <u>1,516</u> | <u>13</u> | <u>4,175</u> |
| | <u>\$ 3,680</u> | <u>\$ 87,072</u> | <u>\$ 85,534</u> |

The amounts recognized as revenue during the current year from contract liabilities at the beginning of the year and performance obligations satisfied in previous periods are as follows:

| | <u>2024</u> | <u>2023</u> |
|-------------------------------------------------------|------------------|------------------|
| <u>From contract liabilities at beginning of year</u> | | |
| Sales of commodities | \$ 87,059 | \$ 69,581 |
| Others | <u>13</u> | <u>4,175</u> |
| | <u>\$ 87,072</u> | <u>\$ 73,756</u> |

(3) Disaggregation of revenue from contracts with customers

For revenue breakdown information, please refer to Schedule 9.

27. Net Income Before Tax

(1) Interest income

| | <u>2024</u> | <u>2023</u> |
|------------------------------|------------------|------------------|
| Bank deposits | \$ 17,930 | \$ 24,858 |
| Imputed interest on deposits | 49 | 86 |
| Loans to Related Parties | <u>261</u> | <u>450</u> |
| | <u>\$ 18,240</u> | <u>\$ 25,394</u> |

(2) Other income

| | <u>2024</u> | <u>2023</u> |
|------------------------------------------------------------------------------------|------------------|-------------------|
| Rental income | | |
| Investment property | \$ 34,899 | \$ 35,719 |
| Other rental | <u>7,820</u> | <u>6,266</u> |
| | <u>42,719</u> | <u>41,985</u> |
| Dividend Income | | |
| Investments in equity instruments at fair value through other comprehensive income | <u>18,493</u> | <u>35,847</u> |
| Others | <u>17,574</u> | <u>28,780</u> |
| | <u>\$ 78,786</u> | <u>\$ 106,612</u> |

(3) Other gains and (losses)

| | <u>2024</u> | <u>2023</u> |
|--------------------------------------------------------------------------------------------|------------------|-----------------|
| Gains on Financial Assets and Financial Liabilities | | |
| Financial assets and liabilities mandatorily measured at fair value through profit or loss | \$ 3,523 | \$ 9,261 |
| Gain on Disposal of Property, Plant and Equipment | 7,588 | 3,447 |
| Net Foreign Currency Exchange Gains (Losses) | 59,523 | (136) |
| Gain on Lease Modification | - | 76 |
| Others | <u>(1,969)</u> | <u>(3,636)</u> |
| | <u>\$ 68,665</u> | <u>\$ 9,012</u> |

(4) Finance costs

| | <u>2024</u> | <u>2023</u> |
|----------------------------------------------------|------------------|------------------|
| Bank borrowing interest | \$ 80,146 | \$ 84,036 |
| Convertible corporate bond interest | 17,227 | 8,326 |
| Interest on lease liabilities | 200 | 290 |
| Imputed interest on deposits | 74 | 58 |
| Less: Amount included in cost of qualifying assets | (9,283) | (8,589) |
| | <u>\$ 88,364</u> | <u>\$ 84,121</u> |

Information related to interest capitalization is as follows:

| | <u>2024</u> | <u>2023</u> |
|------------------------------|-------------|-------------|
| Capitalized interest amount | \$ 9,283 | \$ 8,589 |
| Interest capitalization rate | 2.26% | 1.81% |

(5) Depreciation and amortization

| | <u>2024</u> | <u>2023</u> |
|----------------------------------|-------------------|-------------------|
| Depreciation expense by function | | |
| Operating costs | \$ 209,482 | \$ 173,202 |
| Operating expenses | <u>96,925</u> | <u>75,233</u> |
| | <u>\$ 306,407</u> | <u>\$ 248,435</u> |
| Amortization expense by function | | |
| Operating costs | \$ 3,381 | \$ 3,401 |
| Operating expenses | <u>18,686</u> | <u>14,258</u> |
| | <u>\$ 22,067</u> | <u>\$ 17,659</u> |

(6) Employee benefit expenses

| | <u>2024</u> | <u>2023</u> |
|---------------------------------|-------------------|-------------------|
| Post-employment benefits | | |
| Defined contribution plans | \$ 24,071 | \$ 21,663 |
| Defined Benefit Plans (Note 24) | <u>360</u> | <u>443</u> |
| | 24,431 | 22,106 |
| Share-based payment | | |
| Equity-settled | - | 37,726 |
| Other employee benefits | <u>803,842</u> | <u>681,277</u> |
| Total employee benefit expenses | <u>\$ 828,273</u> | <u>\$ 741,109</u> |
| Summarized by function | | |
| Operating costs | \$ 355,245 | \$ 342,456 |
| Operating expenses | <u>473,028</u> | <u>398,653</u> |
| | <u>\$ 828,273</u> | <u>\$ 741,109</u> |

(7) Employee compensation and directors' compensation

The Company's Articles of Incorporation stipulate that employee compensation and directors' compensation shall be appropriated at no less than 3% and no more than 3%, respectively, from the profit before tax prior to deducting employee and directors' compensation for the year. The estimated employee compensation and directors' compensation for the years 2024 and 2023 were resolved by the Board of Directors on , 2025, and March 6, 2024, respectively, as follows:

Estimated percentage

| | <u>2024</u> | <u>2023</u> |
|-------------------------|-------------|-------------|
| Employee compensation | 3% | 3% |
| Directors' compensation | 2.92% | 3% |

Amount

| | <u>2024</u> | | <u>2023</u> | |
|-------------------------|-------------|--------------|-------------|--------------|
| | <u>Cash</u> | <u>Stock</u> | <u>Cash</u> | <u>Stock</u> |
| Employee compensation | \$ 41,827 | \$ - | \$ 31,429 | \$ - |
| Directors' compensation | 40,713 | - | 31,428 | - |

If there are still changes in the amount after the approval and issuance of the annual individual financial statements, it will be treated as a change in accounting estimate and adjusted in the following year.

There is no difference between the actual distribution amount of employee compensation and directors' compensation for 2023 and 2022, and the recognized amount in the individual financial statements for 2023 and 2022.

For information on employee compensation and directors' compensation resolved by the Company's Board of Directors, please refer to the "Market Observation Post System" of the Taiwan Stock Exchange.

28. Income Tax

(1) Income tax recognized in profit or loss

The main components of income tax expense are as follows:

| | <u>2024</u> | <u>2023</u> |
|-------------------------------------------------|-------------------|------------------|
| Current income tax | | |
| Generated from the current year | \$ 170,071 | \$ 131,002 |
| Adjustments from previous years | 1,311 | (24,704) |
| Investment tax credit | (30,824) | (26,244) |
| | <u>140,558</u> | <u>80,054</u> |
| Deferred income tax | | |
| Generated from the current year | <u>3,339</u> | (313) |
| Income tax expense recognized in profit or loss | <u>\$ 143,897</u> | <u>\$ 79,741</u> |

Reconciliation between accounting income and current income tax expense is as follows:

| | <u>2024</u> | <u>2023</u> |
|---------------------------------------------------------------------------------|---------------------|-------------------|
| Profit Before Tax | <u>\$ 1,311,675</u> | <u>\$ 984,747</u> |
| Income tax expense calculated at the statutory tax rate on pre-tax net income | \$ 262,335 | \$ 196,949 |
| Non-deductible expenses for tax purposes | 3,500 | 1,864 |
| Tax-exempt income | (93,534) | (67,581) |
| Corporate bond issuance costs | - | (543) |
| Adjustment of current income tax expense for previous years in the current year | 1,311 | (24,704) |
| Investment tax credit | (30,824) | (26,244) |
| Integrated house and land tax | <u>1,109</u> | <u>-</u> |
| Income tax expense recognized in profit or loss | <u>\$ 143,897</u> | <u>\$ 79,741</u> |

(2) Current Income Tax Liabilities

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|--------------------------------|--------------------------|--------------------------|
| Current income tax liabilities | | |
| Income tax payable | <u>\$ 71,380</u> | <u>\$ 23,035</u> |

(3) Deferred Income Tax Assets and Liabilities

The changes in deferred income tax assets and liabilities are as follows:

2024

| | <u>Beginning balance</u> | <u>Recognized in profit or loss</u> | <u>Ending balance</u> |
|-----------------------------------------------------|------------------------------|-----------------------------------------|-----------------------|
| <u>Deferred income tax assets</u> | | | |
| Temporary differences | | | |
| Unrealized inventory valuation loss | \$ 22,813 | \$ 4,543 | \$ 27,356 |
| Unrealized loss from transactions with subsidiaries | 346 | - | 346 |
| Payables for vacation benefits | 3,584 | (806) | 2,778 |
| Excess allowance for doubtful accounts | 207 | - | 207 |
| Unrealized Foreign Exchange Loss | <u>2,016</u> | <u>(2,016)</u> | <u>-</u> |
| | <u>\$ 28,966</u> | <u>\$ 1,721</u> | <u>\$ 30,687</u> |
| <u>Deferred income tax liabilities</u> | | | |
| Temporary differences | | | |
| Unrealized loss from transactions with subsidiaries | (\$ 346) | \$ - | (\$ 346) |
| Defined benefit retirement plan | (166) | 64 | (102) |
| Unrealized exchange gains | <u>-</u> | <u>(5,124)</u> | <u>(5,124)</u> |
| | <u>(\$ 512)</u> | <u>(\$ 5,060)</u> | <u>(\$ 5,572)</u> |

2023

| | <u>Beginning balance</u> | <u>Recognized in profit or loss</u> | <u>Ending balance</u> |
|-----------------------------------------------------|------------------------------|-----------------------------------------|-----------------------|
| <u>Deferred income tax assets</u> | | | |
| Temporary differences | | | |
| Unrealized inventory valuation loss | \$ 25,080 | (\$ 2,267) | \$ 22,813 |
| Unrealized loss from transactions with subsidiaries | 346 | - | 346 |
| Payables for vacation benefits | 3,277 | 307 | 3,584 |
| Excess allowance for doubtful accounts | 207 | - | 207 |
| Unrealized Foreign Exchange Loss | <u>-</u> | <u>2,016</u> | <u>2,016</u> |
| | <u>\$ 28,910</u> | <u>\$ 56</u> | <u>\$ 28,966</u> |

(Continued on next page)

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| | <u>Beginning balance</u> | <u>Recognized in profit or loss</u> | <u>Ending balance</u> |
|-----------------------------------------------------------|------------------------------|-----------------------------------------|-----------------------|
| <u>Deferred income tax liabilities</u> | | | |
| Temporary differences | | | |
| Unrealized loss from transactions with subsidiaries | (\$ 329) | (\$ 17) | (\$ 346) |
| Defined benefit retirement plan | (204) | 38 | (166) |
| Unrealized exchange gains | (236) | 236 | - |
| | <u>(\$ 769)</u> | <u>\$ 257</u> | <u>(\$ 512)</u> |

(4) Status of Income Tax Assessment

The Company's profit-seeking enterprise income tax returns up to the year 2022 have been assessed by the tax authorities.

29. Earnings Per Share

The earnings and weighted average number of common shares used to calculate earnings per share are as follows:

Net Profit/(Loss) For The Period

| | <u>2024</u> | <u>2023</u> |
|----------------------------------------------------------------------------------------------------------|---------------------|-------------------|
| Net income used to calculate basic earnings per share | \$ 1,167,778 | \$ 905,006 |
| Effects of dilutive potential common shares: | | |
| After-tax interest on convertible corporate bonds and valuation gains/losses on conversion options | <u>8,690</u> | <u>4,224</u> |
| Net income used to calculate diluted earnings per share | <u>\$ 1,176,468</u> | <u>\$ 909,230</u> |

Number of Shares

Unit: Thousand shares

| | <u>2024</u> | <u>2023</u> |
|---------------------------------------------------------------------------------------|---------------|---------------|
| Weighted average number of common shares used to calculate basic earnings per share | 94,771 | 88,370 |
| Effects of dilutive potential common shares: | | |
| Convertible corporate bonds | 2,253 | 1,743 |
| Employee compensation | <u>99</u> | <u>106</u> |
| Weighted average number of common shares used to calculate diluted earnings per share | <u>97,123</u> | <u>90,219</u> |

If the company has the option to distribute employee compensation in stocks or cash, then when calculating diluted earnings per share, it is assumed that employee compensation will be distributed in the form of stocks, and these potential common shares are included in the weighted average number of outstanding shares when they have a dilutive effect, in order to calculate diluted earnings per share. When calculating diluted earnings per share before resolving the number of shares for employee compensation in the following year, the dilutive effect of these potential common shares continues to be considered.

30. Share-Based Payment Arrangements

Employee Stock Option Plan

The Company granted 580 thousand shares of employee stock options in October 2023, with the recipients being employees of the Company.

Information on employee share options is as follows:

| | 2023 | |
|-----------------------------------------------------------------------------|--------------------------|-----------------------------------------------|
| <u>Employee share Options</u> | <u>Units (thousands)</u> | <u>Weighted Average Exercise Price (NT\$)</u> |
| Outstanding at the beginning of the year | - | \$ - |
| Granted during the year | 580 | 300 |
| Exercised during the year | (440) | 300 |
| Expired and forfeited during the year | (140) | |
| Outstanding at the end of the year | = | |
| Exercisable at the end of the year | = | |
| Weighted average fair value of stock options granted during the year (NT\$) | <u>\$ 85.8</u> | |

The employee share options granted by the Company in October 2023 all used the Black-Scholes valuation model. The inputs used in the valuation model are as follows:

| | <u>October 2023</u> |
|-------------------------|---------------------|
| Grant date market price | NT\$382 |
| Exercise price | NT\$300 |
| Expected volatility | 55.46% |
| Duration | 48 days |
| Expected dividend yield | 0% |
| Risk-free interest rate | 0.1721% |

The compensation cost recognized in 2023 was NT\$37,726 thousand.

31. Partial Acquisition or Disposal of Investment in Subsidiaries - Without Affecting Control

In September 2024, the company disposed of 21.50% of its shareholding in We Solutions, reducing its ownership percentage from 76.78% to 55.28%.

| | (September 2, 2024) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| | <u>We Solutions</u> |
| Cash consideration received | \$ 210,000 |
| The amount of non-controlling interests to be transferred in based on the relative change in equity calculated from the carrying amount of the subsidiary's net assets | (<u>87,161</u>) |
| Difference in equity transactions | <u>\$ 122,839</u> |
| <u>Adjustment items for equity transaction differences</u> | |
| Capital surplus - Difference between the actual price of acquisition or disposal of subsidiary shares and their carrying value | <u>\$ 122,839</u> |

In 2024, the company acquired shares of Gudeng Equipment not in proportion to its shareholding ratio, resulting in an increase in ownership percentage to 45.44%.

Since the aforementioned transactions did not change the Company's control over these subsidiaries, the Company treats them as equity transactions.

| | Gudeng Equipment |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| | <u></u> |
| Cash consideration (paid) | (\$ 230,106) |
| The amount of non-controlling interests to be transferred based on the relative change in equity calculated from the carrying amount of the subsidiary's net assets | <u>38,466</u> |
| Difference in equity transactions | <u>(\$ 191,640)</u> |
| <u>Adjustment items for equity transaction differences</u> | |
| Capital surplus - Difference between the actual price of acquisition or disposal of subsidiary shares and their carrying value | (\$ 86,856) |
| Unappropriated Retained Earnings | <u>(<u>104,784</u>)</u> |
| | <u>(\$ 191,640)</u> |

The company did not participate in the cash capital increase of Gudeng Equipment and We Solutions, resulting in a decrease in ownership percentages to 42.92% and 54.38%, respectively.

Since the aforementioned transactions did not change the Company's control over these subsidiaries, the Company treats them as equity transactions.

| | (May 9, 2024) Gudeng Equipment | (April and October 2025) We Solutions |
|--------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|------------------------------------------------------|
| Cash consideration received | \$ 694,612 | \$ 4,682 |
| Equity consideration received | - | 70,063 |
| Amount of subsidiary's net asset carrying value to be transferred (in) to non-controlling interests based on relative equity changes | (425,820) | (53,780) |
| Difference in equity transactions | <u>\$ 268,792</u> | <u>\$ 20,965</u> |
| <u>Adjustment items for equity transaction differences</u> | | |
| Capital surplus - Recognition of changes in ownership interests in subsidiaries | <u>\$ 268,792</u> | <u>\$ 20,965</u> |

In June 2023, the Company disposed of 3.37% of its shareholding in Gudeng Equipment Co., Ltd. (hereinafter referred to as "Gudeng Equipment"), resulting in a decrease in its shareholding percentage from 50.10% to 46.73%. In November and December 2023, the Company acquired shares in Gudeng Equipment not in proportion to its existing shareholding, resulting in an increase in its shareholding percentage from 46.73% to 46.83%.

Since the above transactions in 2023 did not change the Company's control over these subsidiaries, the Company treats them as equity transactions.

| | (November 7, 2023 and December 7, 2023) Gudeng Equipment | (June 16, 2023) Gudeng Equipment |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------|
| Cash consideration (paid) received | (\$ 5,872) | \$ 113,538 |
| Amount of non-controlling interest to be transferred out (in) calculated based on the change in relative equity in the subsidiary's net asset carrying amount | 664 | (21,474) |
| Difference in equity transactions | <u>(\$ 5,208)</u> | <u>\$ 92,064</u> |
| <u>Adjustment items for equity transaction differences</u> | | |
| Capital surplus - Difference between the actual price of acquisition or disposal of subsidiary shares and their carrying value | <u>(\$ 5,208)</u> | <u>\$ 92,064</u> |

In September 2023, the Company did not subscribe to the cash capital increase of its subsidiary Gudeng Inc. (USA) in proportion to its existing shareholding, resulting in a decrease in its shareholding percentage from 100% to 51%. Additionally, in June 2023, the Company's subsidiary We Solutions acquired 0.50% of its shareholding in Cypress Precision, resulting in an increase in its shareholding percentage from 93% to 93.50%.

Since the above transactions in 2023 did not change the Company's control over these subsidiaries, the Company treats them as equity transactions.

| | (September 30, 2023) | (June 30, 2023) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|-----------------------------|
| | Gudeng Inc. (USA) | Cypress Precision |
| | <u> </u> | <u> </u> |
| Cash consideration paid | \$ - | (\$ 450) |
| Amount of non-controlling interest to be transferred (in) out calculated based on the change in relative equity in the subsidiary's net asset carrying amount | (16,658) | 389 |
| Adjustment to other equity items attributable to owners of the Company | | |
| - Exchange differences on translating the financial statements of foreign operations | <u>4,491</u> | <u>-</u> |
| Difference in equity transactions | (<u>\$ 12,167</u>) | (<u>\$ 61</u>) |
| <u>Adjustment items for equity transaction differences</u> | | |
| Unappropriated Retained Earnings | (<u>\$ 12,167</u>) | (<u>\$ 61</u>) |

32. Cash Flow Information

Non-cash transactions

The Company conducted the following non-cash financing activities in 2024 and 2023:

- (1) Gudeng's Board of Directors resolved to distribute cash dividends for the first half of the respective years, which remained undistributed as of December 31, 2024 and 2023 (see Notes 22 and 25).
- (2) During 2023, the Company sold its own land and as of December 31, 2023, there was still NT\$32,722 thousand that had not yet been received, which was recorded under other receivables. (See Note 10)

33. Capital Risk Management

The company is currently operating stably, and its capital risk management objective is to ensure that, on the premise of continuing operations and growth, it can maximize shareholder returns by optimizing the balance between debt and equity.

The Company adopts a prudent risk management strategy with regular reviews, making comprehensive plans based on business development strategies and operational needs to determine the appropriate capital structure for the Company.

34. Financial Instruments

(1) Fair Value Information - Financial Instruments Not Measured at Fair Value

The management of the company believes that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values.

(2) Fair Value Information - Financial Instruments Measured at Fair Value on a Recurring Basis

1. Fair Value Hierarchy

December 31, 2024

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|---------------------------------------|-------------------|-------------------|------------------|--------------------|
| <u>Financial assets at fair value</u> | | | | |
| <u>through profit or loss</u> | | | | |
| Derivatives | \$ - | \$ 958 | \$ - | \$ 958 |
| Domestic Limited Partnerships | - | - | 44,212 | 44,212 |
| Total | <u>\$ -</u> | <u>\$ 958</u> | <u>\$ 44,212</u> | <u>\$ 45,170</u> |
| <u>Financial Assets at Fair Value</u> | | | | |
| <u>through Other</u> | | | | |
| <u>Comprehensive Income</u> | | | | |
| Equity Instrument | | | | |
| Investments | | | | |
| - Domestic publicly traded shares | \$ 861,470 | \$ - | \$ - | \$ 861,470 |
| - Domestic Emerging Stocks | - | 224,147 | - | 224,147 |
| Total | <u>\$ 861,470</u> | <u>\$ 224,147</u> | <u>\$ -</u> | <u>\$1,085,617</u> |
| <u>Financial liabilities at fair</u> | | | | |
| <u>value through profit or</u> | | | | |
| <u>loss</u> | | | | |
| Derivatives | \$ - | \$ 120 | \$ - | \$ 120 |

December 31, 2023

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|--------------------------------------------------------------------------|----------------|----------------|----------------|--------------|
| <u>Financial assets at fair value through profit or loss</u> | | | | |
| Derivatives | \$ - | \$ 1,000 | \$ - | \$ 1,000 |
| <u>Financial Assets at Fair Value through Other Comprehensive Income</u> | | | | |
| Equity Instrument Investments | | | | |
| - Domestic publicly traded shares | \$ 16,897 | \$ 398,437 | \$ - | \$ 415,334 |
| <u>Financial liabilities at fair value through profit or loss</u> | | | | |
| Derivatives | \$ - | \$ 3,300 | \$ - | \$ 3,300 |

In 2024, due to the expiration of the lock-up period for some shares of Symtek, these were transferred from Level 2 to Level 1; in 2023, there were no transfers between Level 1 and Level 2 fair value measurements.

2. Reconciliation of Financial Instruments Measured at Level 3 Fair Value

2024

| <u>Financial Assets</u> | <u>Equity instruments at fair value through profit or loss</u> |
|-------------------------------------------------------|----------------------------------------------------------------|
| Beginning Balance | \$ - |
| Recognized in profit or loss (other gains and losses) | (1,568) |
| Purchase | <u>45,780</u> |
| Ending Balance | <u>\$ 44,212</u> |

3. Valuation Techniques and Inputs for Level 2 Fair Value Measurement

| <u>Financial Instrument Categories</u> | <u>Valuation Techniques and Inputs</u> |
|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Domestic publicly traded securities | The company's investment in private common shares is a financial instrument with an active market but is restricted from sale due to a lock-up period. The company determines the fair value of this financial instrument based on relevant market prices. |
| Derivatives - Convertible Corporate Bond Redemption Options | The fair value is estimated using a binomial tree convertible bond valuation model, with stock price volatility being the significant unobservable input used. When stock price volatility increases, the fair value of these derivatives will increase. |

4. Valuation Techniques and Inputs for Level 3 Fair Value Measurement

The fair value of limited partnerships is evaluated using the asset-based approach, referring to the net asset value and operating conditions from the recently published financial statements of the investment targets.

(3) Types of Financial Instruments

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|-----------------------------------|------------------------------|------------------------------|
| <u>Financial Assets</u> | | |
| Fair Value through Profit or Loss | | |
| Mandatory Fair Value | | |
| through Profit or Loss | \$ 45,170 | \$ 1,000 |
| Financial assets measured at | | |
| amortized cost (Note 1) | 3,007,425 | 3,022,797 |
| Financial Assets at Fair Value | | |
| through Other Comprehensive | | |
| Income | | |
| Equity Instrument | | |
| Investments | 1,085,617 | 415,334 |
| <u>Financial liabilities</u> | | |
| Fair Value through Profit or Loss | | |
| Held for trading | 120 | 3,300 |
| Measured at amortized cost | | |
| (Note 2) | 7,148,753 | 5,401,780 |

Note 1: The balance includes financial assets measured at amortized cost such as cash and cash equivalents, notes and accounts receivable (including related parties), other receivables (including related parties), financial assets measured at amortized cost, and refundable deposits.

Note 2: The balance includes financial liabilities measured at amortized cost such as short-term borrowings, accounts payable (including related parties), other payables (including related parties), guarantee deposits received, current portion of long-term borrowings, corporate bonds payable, and long-term borrowings.

(4) Financial Risk Management Objectives and Policies

The Company's main financial instruments include equity instrument investments, accounts receivable, accounts payable, corporate bonds payable, and borrowings. The above financial instruments are associated with operational financial risks. Including market risk (including exchange rate risk, interest rate risk, and other price risks), credit risk, and liquidity risk.

1. Market Risk

The Company's operating activities expose the Company to the main financial risks of foreign currency exchange rate fluctuation risk (see (1) below) and interest rate fluctuation risk (see (2) below).

The company's exposure to market risks related to financial instruments and its methods of managing and measuring these exposures have not changed.

(1) Exchange Rate Risk

The Company's sales and purchase transactions denominated in foreign currencies expose the Company to exchange rate fluctuation risk.

The carrying amounts of the Company's monetary assets and monetary liabilities denominated in non-functional currencies at the balance sheet date are disclosed in Note 40.

Sensitivity Analysis

The Company is mainly affected by fluctuations in the US dollar and Japanese yen exchange rates.

The table below details the Company's sensitivity analysis when the New Taiwan Dollar (functional currency) increases and decreases by 1% against each relevant foreign currency. 1% is the sensitivity ratio used by the Company when reporting exchange rate risk to key management personnel, and also represents management's assessment of the reasonably possible range of changes in foreign exchange rates.

| | Impact of US Dollar Currency | | Impact of Japanese Yen Currency | |
|--------------------|-----------------------------------------|--------------|--------------------------------------------|-------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Profit and Loss | \$ 6,955 | \$ 4,655 (i) | \$ 183 | \$ 237 (ii) |

(i) This mainly arises from the company's outstanding US dollar-denominated bank deposits, receivables and payables that have not been hedged for cash flow at the balance sheet date.

(ii) This mainly arises from the company's outstanding Japanese yen-denominated bank deposits, receivables and payables that have not been hedged for cash flow at the balance sheet date.

(2) Interest Rate Risk

Because the Company borrows funds at both fixed and floating interest rates, it is exposed to interest rate risk.

The carrying amounts of financial assets and financial liabilities exposed to interest rate risk at the consolidated company's balance sheet date are as follows:

| | <u>December 31,</u> <u>2024</u> | <u>December 31,</u> <u>2023</u> |
|-------------------------------|------------------------------------|------------------------------------|
| Fair value interest rate risk | | |
| - Financial assets | \$ 234,907 | \$ - |
| - Financial liabilities | 395,277 | 956,770 |
| Cash flow interest rate risk | | |
| - Financial assets | 1,648,770 | 2,203,933 |
| - Financial liabilities | 5,447,846 | 3,230,528 |

Sensitivity Analysis

The following sensitivity analysis is determined based on the interest rate exposure of derivative and non-derivative instruments at the balance sheet date. For floating rate liabilities, the analysis assumes that the amount of liabilities outstanding at the balance sheet date was outstanding throughout the reporting period. The rate of change used by the Company when reporting interest rates to key management internally is an increase or decrease of 25 basis points, which also represents management's assessment of the reasonable possible range of interest rate fluctuations.

If interest rates increase/decrease by 25 basis points, with all other variables remaining constant, the Company's pre-tax net income for 2024 and 2023 would decrease/increase by NT\$9,498 thousand and NT\$2,566 thousand, respectively.

(3) Other price risks

The Company is exposed to equity price risk due to investments in equity securities. The Company's management manages risk by holding investment portfolios with different risk profiles.

Sensitivity Analysis

The following sensitivity analysis is conducted based on the equity price exposure at the balance sheet date.

If equity prices rise/fall by 10%, the pre-tax profit and loss for 2024 and 2023 would increase/decrease by NT\$4,421 thousand and NT\$0 thousand, respectively, due to the rise/fall in fair value of financial assets at fair value through profit or loss. The pre-tax other comprehensive income for 2024 and 2023 would increase/decrease by NT\$108,562 thousand and NT\$41,533

thousand, respectively, due to the rise/fall in the fair value of financial assets at fair value through other comprehensive income.

2. Credit risk

Credit risk refers to the risk of financial loss to the Company caused by a counterparty defaulting on its contractual obligations. As of the balance sheet date, the maximum credit risk exposure that may cause financial loss to the company due to counterparty failure to fulfill obligations and financial guarantees provided by the company mainly comes from:

- (1) The carrying amount of financial assets recognized in the individual balance sheet.
- (2) The maximum amount that the Company may have to pay as a financial guarantee, regardless of the possibility of occurrence.

The policy adopted by the company is to only transact with creditworthy counterparties and obtain sufficient collateral, where appropriate, to mitigate the risk of financial loss from defaults. To mitigate credit risk, the company's management has assigned a dedicated team responsible for determining credit limits, credit approvals, and other monitoring procedures to ensure appropriate actions are taken for the collection of overdue receivables. Furthermore, the company reviews the recoverable amount of each receivable on the balance sheet date to ensure that appropriate impairment losses have been recognized for irrecoverable receivables. Accordingly, the Company's management believes that the Company's credit risk has been significantly reduced. Therefore, the credit risk is limited.

The Company's credit risk is primarily concentrated on its top five customers. As of December 31, 2024 and 2023, accounts receivable from the top five customers accounted for 59% and 49% of the Company's total accounts receivable, respectively. The credit concentration risk for the remaining accounts receivable is relatively insignificant.

3. Liquidity Risk

The Company manages and maintains sufficient positions of cash and cash equivalents to support operations and mitigate the effects of cash flow fluctuations. The management of the company monitors the use of bank financing facilities and ensures compliance with loan agreement terms.

Bank loans are an important source of liquidity for the Company. As of March 31, 2024 and December 31, 2023, the company's unused short-term bank financing facilities are described in section (2) Financing Facilities below.

(1) Liquidity of Non-derivative Financial Liabilities

The remaining contractual maturity analysis of non-derivative financial liabilities is prepared based on the earliest date on which the company may be required to pay, using undiscounted cash flows of financial liabilities (including principal and estimated interest). Therefore, bank loans that the company may be required to repay immediately are included in the earliest period in the table below, regardless of the probability of the banks immediately exercising this right; the maturity analysis of other non-derivative financial liabilities is prepared based on the scheduled repayment dates.

December 31, 2024

| | <u>Less than 1 year</u> | <u>1 to 2 years</u> | <u>2 to 3 years</u> | <u>More than 3 years</u> | <u>Total</u> |
|-------------------------------------------------|-----------------------------|---------------------|---------------------|------------------------------|---------------------|
| <u>Non-derivative financial liabilities</u> | | | | | |
| Accounts Payable | \$ 344,542 | \$ - | \$ - | \$ - | \$ 344,542 |
| Other Payables | 962,021 | - | - | - | 962,021 |
| Lease liabilities | 6,718 | 2,722 | 757 | 1,135 | 11,332 |
| Guarantee deposits received | - | 10,162 | - | - | 10,162 |
| Other Current Liabilities | 4,221 | - | - | - | 4,221 |
| Borrowings | 832,762 | 617,420 | 217,818 | 3,779,846 | 5,447,846 |
| Convertible bonds | - | 399,100 | - | - | 399,100 |
| | <u>\$ 2,150,264</u> | <u>\$ 1,029,404</u> | <u>\$ 218,575</u> | <u>\$ 3,780,981</u> | <u>\$ 7,179,224</u> |

Further information on the maturity analysis of lease liabilities is as follows:

| | <u>Less than 1 year</u> | <u>1 to 2 years</u> | <u>2 to 3 years</u> | <u>3 to 5 years</u> | <u>More than 5 years</u> |
|-------------------|-----------------------------|---------------------|---------------------|---------------------|------------------------------|
| Lease liabilities | <u>\$ 6,718</u> | <u>\$ 2,722</u> | <u>\$ 757</u> | <u>\$ 1,135</u> | <u>\$ -</u> |

December 31, 2023

| | <u>Less than 1 year</u> | <u>1 to 2 years</u> | <u>2 to 3 years</u> | <u>More than 3 years</u> | <u>Total</u> |
|-------------------------------------------------|-----------------------------|---------------------|---------------------|------------------------------|---------------------|
| <u>Non-derivative financial liabilities</u> | | | | | |
| Accounts Payable | \$ 372,867 | \$ - | \$ - | \$ - | \$ 372,867 |
| Other Payables | 846,899 | - | - | - | 846,899 |
| Lease liabilities | 6,690 | 5,962 | 1,965 | - | 14,617 |
| Guarantee deposits received | - | 9,071 | - | - | 9,071 |
| Other Current Liabilities | 2,609 | - | - | - | 2,609 |
| Borrowings | 326,377 | 550,215 | 127,758 | 2,226,178 | 3,230,528 |
| Convertible bonds | - | - | 1,000,000 | - | 1,000,000 |
| | <u>\$ 1,555,442</u> | <u>\$ 565,248</u> | <u>\$ 1,129,723</u> | <u>\$ 2,226,178</u> | <u>\$ 5,476,591</u> |

Further information on the maturity analysis of lease liabilities is as follows:

| | <u>Less than 1 year</u> | <u>1 to 2 years</u> | <u>2 to 3 years</u> | <u>3 to 5 years</u> | <u>More than 5 years</u> |
|-------------------|-----------------------------|---------------------|---------------------|---------------------|------------------------------|
| Lease liabilities | <u>\$ 6,690</u> | <u>\$ 5,962</u> | <u>\$ 1,965</u> | <u>\$ -</u> | <u>\$ -</u> |

(2) Financing Facilities

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|------------------------------------------------------------------|------------------------------|------------------------------|
| Unsecured bank loan facilities (renewable upon mutual agreement) | | |
| Amount utilized | \$ 2,423,333 | \$ 858,240 |
| Unused amount | <u>650,000</u> | <u>1,149,360</u> |
| | <u>\$ 3,073,333</u> | <u>\$ 2,007,600</u> |
| Secured bank loan facilities (renewable upon mutual agreement) | | |
| Amount utilized | \$ 3,021,457 | \$ 2,369,046 |
| Unused amount | <u>825,960</u> | <u>692,500</u> |
| | <u>\$ 3,847,417</u> | <u>\$ 3,061,546</u> |

35. Related Party Transactions

In addition to those disclosed in other notes, the transactions between the Company and related parties are as follows.

(1) Names of Related Parties and Their Relationships

| <u>Names of Related Parties</u> | <u>Relationship with the Company</u> |
|---------------------------------------------------------------------------------------------|--------------------------------------|
| Jin Peng Investment Co., Ltd. (hereinafter referred to as Jin Peng) | Substantial related party |
| Sheng Jie Investment Co., Ltd. (hereinafter referred to as Sheng Jie) | Substantial related party |
| Yun Sheng Investment Co., Ltd. (hereinafter referred to as Yun Sheng) | Substantial related party |
| Onore King Taiwan International Marketing Co., Ltd. (hereinafter referred to as Onore King) | Substantial related party |
| Laien Parts Technology Co., Ltd. (hereinafter referred to as Laien Parts) | Substantial related party |
| Symtek Automation Asia Co., Ltd. (hereinafter referred to as Symtek) | Substantial related party |
| Jin Hui Technology Co., Ltd. (hereinafter referred to as Jin Hui) | Associates |
| YAHOO System Technology Co., Ltd. (hereinafter referred to as YAHOO) | Associates |
| Gudeng Venture Capital Co., Ltd. (hereinafter referred to as Gudeng Venture) | subsidiary of the Company |
| We Solutions Technology Co., Ltd. (hereinafter referred to as We Solutions) | subsidiary of the Company |
| Gudeng Equipment Co., Ltd. (hereinafter referred to as Gudeng Equipment) | subsidiary of the Company |

(Continued on next page)

(Continued from previous page)

| <u>Names of Related Parties</u> | <u>Relationship with the Company</u> |
|------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| Jiaqian Tech (Shanghai) Co., Ltd. (hereinafter referred to as Shanghai Jiaqian) (formerly Shanghai Gudeng Trading Co., Ltd.) | subsidiary of the Company |
| Jia Shuo Construction, Inc. (hereinafter referred to as Jia Shuo Construction) | subsidiary of the Company |
| Gudeng Inc. (hereinafter referred to as Gudeng USA) | subsidiary of the Company |
| Suting Precision Industry Co., Ltd. (hereinafter referred to as Suting) | subsidiary of the Company |
| Hengyang Green Energy Co., Ltd. (hereinafter referred to as Hengyang) | subsidiary of the Company |
| Gudeng Aerospace Technologies Corporation (hereinafter referred to as Gudeng Aerospace) | subsidiary of the Company |
| Dachuan Plastic Industrial (Kunshan) Co., Ltd. (hereinafter referred to as Dachuan) | subsidiary of the Company |
| JYR Aviation Components Co., Ltd. (hereinafter referred to as JYR Aviation) | subsidiary of the Company |
| Chongqing Huanmei Electronic Co., Ltd. (hereinafter referred to as Chongqing Huanmei) | Associates |
| Gudeng Japan Co., LTD | subsidiary of the Company |
| Cypress Precision Industrial Co., Ltd. (hereinafter referred to as Cypress Precision) | subsidiary of the Company |

(2) Operating Revenue

| <u>Items Listed in Account</u> | <u>Names of Related Parties</u> | <u>2024</u> | <u>2023</u> |
|--------------------------------|---------------------------------|-------------------|-------------------|
| Sales Revenue | Jiaqian Shanghai | \$ 158,231 | \$ 205,675 |
| | Gudeng Equipment | 6,494 | 10,578 |
| | Suting | 10,785 | 8,584 |
| | Ta Chiang Company | - | 9,125 |
| | YAHU | - | 12 |
| | JYR Aviation | 37 | - |
| | Excellent Home USA Company | 117 | - |
| | Chongqing Huanmei | <u>13,233</u> | <u>-</u> |
| | | <u>\$ 188,897</u> | <u>\$ 233,974</u> |

The Company's selling prices to related parties are comparable to those of general customers.

(3) Purchases

| <u>Names of Related Parties</u> | <u>2024</u> | <u>2023</u> |
|---------------------------------|-------------------|-------------------|
| We Solutions | \$ 149,832 | \$ 185,543 |
| Suting | 17,084 | 24,857 |
| Gudeng Equipment | 746 | 128 |
| Jiaqian Shanghai | - | 362 |
| Jin Hui | 18,360 | 33,068 |
| Chongqing Huanmei | 74 | - |
| JYR Aviation | <u>1,759</u> | <u>-</u> |
| | <u>\$ 187,855</u> | <u>\$ 243,958</u> |

Purchases are made based on market prices with discounts, reflecting the quantity purchased and the relationship with the related party.

(4) Receivables from Related Parties (Excluding Loans to Related Parties)

| <u>Items Listed in Account</u> | <u>Names of Related Parties</u> | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|---------------------------------------|---------------------------------|--------------------------|--------------------------|
| Accounts Receivable - Related Parties | Jiaqian Shanghai | \$ 59,098 | \$ 74,046 |
| | Gudeng Equipment | 1,908 | 2,046 |
| | Suting | 8,030 | 5,874 |
| | YAHOO | - | 13 |
| | Ta Chiang Company | 33,647 | 16,709 |
| | Excellent Home USA Company | 42 | - |
| | Chongqing Huanmei | <u>11,447</u> | <u>-</u> |
| | | <u>\$ 114,172</u> | <u>\$ 98,688</u> |
| Other Receivables - Related Parties | Gudeng Equipment | \$ 385 | \$ 220 |
| | Jin Hui | 1 | 10 |
| | Jiaqian Shanghai | 577 | 1,449 |
| | Symtek | 206 | 251 |
| | Hengyang | 16 | 16 |
| | Suting | 198 | 27,061 |
| | Gudeng Japan Co., LTD | 75 | - |
| | Excellent Home USA Company | 515 | - |
| | Ta Chiang Company | 1,500 | - |
| | Cypress Precision | 10 | - |
| | Laien Parts | <u>10</u> | <u>-</u> |
| | | <u>\$ 3,493</u> | <u>\$ 29,007</u> |

No collateral is held for outstanding receivables from related parties. No expected credit loss was recognized on receivables from related parties in 2024 and 2023.

(5) Payables to Related Parties (excluding loans from related parties)

| Items Listed in Account | Names of Related Parties | December 31, 2024 | December 31, 2023 |
|---------------------------------------|-------------------------------------|------------------------------|------------------------------|
| Accounts Payable - Related Parties | We Solutions | \$ 24,644 | \$ 33,426 |
| | Suting | 3,504 | 433 |
| | Jiaqian Shanghai | - | 185 |
| | Jin Hui | 3,271 | 11,466 |
| | Ta Chiang Company | 6,158 | 10 |
| | Gudeng Equipment | 18 | - |
| | JYR Aviation | 213 | - |
| | Chongqing Huanmei | 74 | - |
| | | <u>\$ 37,882</u> | <u>\$ 45,520</u> |
| Other Payables - Related Parties | Jiaqian Shanghai | \$ 13,715 | \$ 7,136 |
| | Excellent Home USA Company | 6,289 | 7,870 |
| | Gudeng Equipment | 69 | - |
| | Cypress Precision | 22 | - |
| | Suting | 20 | - |
| | | <u>\$ 20,115</u> | <u>\$ 15,006</u> |

Outstanding payables to related parties are not secured by collateral.

(6) Prepayments

| Names of Related Parties | December 31, 2024 | December 31, 2023 |
|---------------------------------|------------------------------|------------------------------|
| Suting | \$ - | \$ 100 |
| Gudeng Equipment | - | 13,500 |
| YAHOO | 6,746 | 4,050 |
| | <u>\$ 6,746</u> | <u>\$ 17,650</u> |

(7) Property, Plant and Equipment Acquired

| Names of Related Parties | Acquisition Cost | |
|---------------------------------|-------------------------|-------------|
| | 2024 | 2023 |
| Gudeng Equipment | \$ 15,000 | \$ - |
| YAHOO | 21,390 | - |
| Suting | 139,647 | - |
| | <u>\$176,037</u> | <u>\$ -</u> |

(8) Lease Agreements

Lease Expenses

| <u>Lessor</u> | <u>Subject Matter</u> | <u>Leasing Method and Rental Payment Terms</u> | <u>Lease Expenses</u> | |
|---------------|-----------------------|-------------------------------------------------|-----------------------|-----------------|
| | | | <u>2024</u> | <u>2023</u> |
| Sheng Jie | Employee Dormitory | Monthly rent of NT\$236 thousand, paid monthly. | <u>\$ 2,832</u> | <u>\$ 1,632</u> |
| Yun Sheng | Warehouse | Monthly rent of NT\$150 thousand, paid monthly. | <u>\$ 1,800</u> | <u>\$ 1,800</u> |

(9) Lease Agreements (as lessor)

1. Other advance receipts (listed as contract liabilities) are summarized as follows:

| <u>Names of Related Parties</u> | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|---------------------------------|--------------------------|--------------------------|
| Jia Shuo Construction | \$ 6 | \$ - |
| Gudeng Aerospace | 17 | - |
| Yun Sheng | 8 | - |
| Sheng Jie | 8 | - |
| Jin Peng | 8 | - |
| | <u>\$ 47</u> | <u>\$ -</u> |

2. The total amount of future lease payments to be received is summarized as follows:

| <u>Names of Related Parties</u> | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|---------------------------------|--------------------------|--------------------------|
| Gudeng Venture | \$ 480 | \$ 480 |
| Gudeng Equipment | 10,698 | 14,261 |
| Jia Shuo Construction | 6 | 6 |
| Sheng Jie | - | 12 |
| Yun Sheng | - | 12 |
| Jin Peng | - | 12 |
| Onore King | 12 | 12 |
| Hengyang | 192 | 192 |
| Gudeng Aerospace | 18 | 18 |
| Cypress Precision | 310 | - |
| Suting | 90 | - |
| | <u>\$ 11,806</u> | <u>\$ 15,005</u> |

3. Lease income is summarized as follows:

| Names of Related Parties | Subject Matter | Leasing Method and Rental Payment Terms | 2024 | 2023 |
|---------------------------------|---------------------------------|-----------------------------------------------------|-----------------|-----------------|
| Gudeng Venture | Office | Monthly rent of 40 thousand dollars, paid monthly. | \$ 480 | \$ 480 |
| Gudeng Equipment | Factory building and clean room | Monthly rent of 297 thousand dollars, paid monthly. | 3,574 | 3,571 |
| Gudeng Equipment | Office | Monthly rent of 1 thousand dollars, paid monthly. | 12 | 12 |
| Jia Shuo Construction | Office | Monthly rent of 1 thousand dollars, paid monthly. | 12 | 12 |
| Sheng Jie | Office | Monthly rent of 1 thousand dollars, paid monthly. | 12 | 12 |
| Yun Sheng | Office | Monthly rent of 1 thousand dollars, paid monthly. | 12 | 12 |
| Jin Peng | Office | Monthly rent of 1 thousand dollars, paid monthly. | 12 | 12 |
| Onore King | Office | Monthly rent of 1 thousand dollars, paid monthly. | 12 | 12 |
| Hengyang | Office | Monthly rent of 15 thousand dollars, paid monthly. | 183 | 91 |
| Gudeng Aerospace | Office | Monthly rent of 2.4 thousand dollars, paid monthly. | 29 | 12 |
| Cypress Precision | Company Vehicle | Monthly rent of 10 thousand dollars, paid monthly. | 48 | - |
| Suting | Office | Monthly rent of 10 thousand dollars, paid monthly. | <u>143</u> | <u>-</u> |
| | | | <u>\$ 4,529</u> | <u>\$ 4,226</u> |

4. Guarantee deposits are summarized as follows:

| Names of Related Parties | December 31, 2024 | December 31, 2023 |
|---------------------------------|--------------------------|--------------------------|
| Gudeng Equipment | \$ 596 | \$ 596 |
| Jia Shuo Construction | 2 | 2 |
| Sheng Jie | 2 | 2 |
| Yun Sheng | 2 | 2 |
| Jin Peng | 2 | 2 |
| Onore King | <u>2</u> | <u>-</u> |
| | <u>\$ 606</u> | <u>\$ 604</u> |

5. The summary of imputed interest on deposits is as follows:

| <u>Names of Related Parties</u> | <u>2024</u> | <u>2023</u> |
|---------------------------------|-------------|-------------|
| Gudeng Equipment | \$ <u>9</u> | \$ <u>9</u> |

(10) Loans to Related Parties

| <u>Names of Related Parties</u> | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|---------------------------------|------------------------------|------------------------------|
| Suting | \$ <u>-</u> | \$ <u>27,061</u> |

Interest Income

| <u>Names of Related Parties</u> | <u>2024</u> | <u>2023</u> |
|---------------------------------|---------------|---------------|
| Suting | \$ <u>261</u> | \$ <u>450</u> |

(11) Transactions with Other Related Parties

1. Service Fees

| <u>Items Listed in Account</u> | <u>Names of Related Parties</u> | <u>2024</u> | <u>2023</u> |
|------------------------------------|-------------------------------------|-------------------|-------------------|
| Operating expenses | Jiaqian Shanghai | \$ 147,220 | \$ 112,178 |
| | Excellent Home | <u>47,944</u> | <u>47,967</u> |
| | USA Company | | |
| | | <u>\$ 195,164</u> | <u>\$ 160,145</u> |

2. Other Income

| <u>Items Listed in Account</u> | <u>Names of Related Parties</u> | <u>2024</u> | <u>2023</u> |
|------------------------------------|-------------------------------------|-----------------|-----------------|
| Other Income | Gudeng Equipment | \$ 945 | \$ 2,275 |
| | We Solutions | 49 | 57 |
| | Jia Shuo | - | 15 |
| | Construction | | |
| | Jin Hui | 67 | 118 |
| | Laien Parts | 148 | 74 |
| | Symtek | <u>247</u> | <u>200</u> |
| | | <u>\$ 1,456</u> | <u>\$ 2,739</u> |

3. Other Expenses

| <u>Items Listed in Account</u> | <u>Names of Related Parties</u> | <u>2024</u> | <u>2023</u> |
|-------------------------------------------|-------------------------------------|------------------|---------------|
| Manufacturing Expenses | Excellent Home | \$ 2,238 | \$ - |
| | USA Company | | |
| | Ta Chiang Company | <u>41,598</u> | <u>-</u> |
| | | <u>\$ 43,836</u> | <u>\$ -</u> |
| Selling expenses | Cypress Precision | <u>\$ 129</u> | <u>\$ 68</u> |
| General And Administrative Expenses | Excellent Home USA Company | <u>\$ 3,556</u> | <u>\$ 424</u> |
| Research expenses | We Solutions | \$ - | \$ 33 |
| | Suting | - | 60 |
| | Chongqing | <u>41</u> | <u>-</u> |
| | Huanmei | <u>\$ 41</u> | <u>\$ 93</u> |

4. Other Assets and Liabilities

| <u>Items Listed in Account</u> | <u>Names of Related Parties</u> | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|------------------------------------|-------------------------------------|------------------------------|------------------------------|
| Refundable Deposits | Sheng Jie | \$ 103 | \$ 23 |
| | Yun Sheng | <u>300</u> | <u>300</u> |
| | | <u>\$ 403</u> | <u>\$ 323</u> |

(12) Compensation of Key Management Personnel

| | <u>2024</u> | <u>2023</u> |
|------------------------------|------------------|------------------|
| Short-term Employee Benefits | \$ 80,723 | \$ 64,146 |
| Share-based payment | <u>-</u> | <u>1,991</u> |
| | <u>\$ 80,723</u> | <u>\$ 66,137</u> |

Compensation for directors and other key management personnel is determined by the Compensation Committee based on individual performance and market trends.

36. Pledged Assets

The following assets have been provided as collateral for financing loans:

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|---------------------|------------------------------|------------------------------|
| Owned Land | \$ 2,336,762 | \$ 2,575,918 |
| Buildings - net | 504,178 | 519,040 |
| Investment property | <u>726,058</u> | <u>721,387</u> |
| | <u>\$ 3,566,998</u> | <u>\$ 3,816,345</u> |

37. Significant Contingent Liabilities and Unrecognized Contractual Commitments

In addition to those mentioned in other notes, the company has the following significant commitments and contingencies as of the balance sheet date:

(1) Significant Commitments

1. As of December 31, 2024, the Company has issued promissory notes (including long-term and short-term loans) amounting to NT\$681,900 thousand for applying credit facilities from financial institutions.
2. The Company has contractual commitments with various vendors for the purchase of land and equipment with a total contract price of NT\$676,697 thousand. As of December 31, 2024, NT\$366,206 thousand has been paid (recorded as prepayments for equipment), with the remaining NT\$310,491 thousand not yet paid.

(2) Contingent Matters

Regarding the Company's Republic of China invention patent No. I238804, which was infringed upon without authorization by Entegris Inc. (hereinafter referred to as "Entegris") and others, causing damages to the Company, the Company filed a lawsuit for damages with the Intellectual Property and Commercial Court, requesting that the aforementioned parties jointly compensate the Company NT\$100 million. After the court's review, the claim was dismissed as groundless. The Company has filed an appeal against this judgment and has appointed attorneys from Formosa Transnational Attorneys at Law to handle this case, which is currently still under review.

Entegris Inc. has filed a lawsuit against the Company with the Intellectual Property Court of the Intellectual Property and Commercial Court for damages, claiming that the Company infringed upon its Republic of China invention patent No. I830642, and demanding compensation of NT\$30 million from the Company. The Company received a copy of the complaint on May 15, 2024, and the case is currently undergoing first-instance proceedings at the Intellectual Property Court.

After evaluation, the cases still under review are not expected to have a significant impact on the Company's financial and business operations.

38. Other Matters: None.

39. Significant Subsequent Events: None.

40. Information on Foreign Currency Assets and Liabilities with Significant Impact

The Company's information on foreign currency financial assets and liabilities with significant impact is as follows:

December 31, 2024

| | <u>Foreign Currency</u> | <u>Exchange Rate</u> | <u>Carrying Amount</u> |
|------------------------------------------------|-----------------------------|-----------------------------------------|----------------------------|
| <u>Foreign Currency Assets</u> | | | |
| <u>Monetary Items</u> | | | |
| US Dollar | \$ 23,012 | 32.785 (US Dollar: New Taiwan Dollar) | \$ 754,448 |
| Japanese Yen | 90,653 | 0.210 (Japanese Yen: New Taiwan Dollar) | 19,037 |
| | | | <u>\$ 773,485</u> |
| <u>Non-Monetary Items</u> | | | |
| subsidiaries accounted for using equity method | | | |
| US Dollar | 3,211 | 32.785 (US Dollar: New Taiwan Dollar) | \$ 105,289 |
| Chinese Yuan | 142,640 | 4.478 (Chinese Yuan: New Taiwan Dollar) | 639,027 |
| | | | <u>\$ 744,316</u> |
| <u>Foreign Currency Liabilities</u> | | | |
| <u>Monetary Items</u> | | | |
| US Dollar | 1,799 | 32.785 (US Dollar: New Taiwan Dollar) | \$ 58,980 |
| Japanese Yen | 3,393 | 0.210 (Japanese Yen: New Taiwan Dollar) | 713 |
| Chinese Yuan | 4,455 | 4.478 (Chinese Yuan: New Taiwan Dollar) | 19,949 |
| | | | <u>\$ 79,642</u> |

December 31, 2023

| | Foreign Currency | Exchange Rate | Carrying Amount |
|------------------------------------------------|-----------------------------|------------------------------------------|----------------------------|
| <u>Foreign Currency Assets</u> | | | |
| <u>Monetary Items</u> | | | |
| US Dollar | \$ 20,237 | 30.705 (US Dollar: New Taiwan Dollar) | \$ 621,381 |
| Japanese Yen | 115,047 | 0.2172 (Japanese Yen: New Taiwan Dollar) | <u>24,988</u> |
| | | | <u>\$ 646,369</u> |
| <u>Non-Monetary Items</u> | | | |
| subsidiaries accounted for using equity method | | | |
| US Dollar | 3,132 | 30.705 (US Dollar: New Taiwan Dollar) | \$ 96,175 |
| Chinese Yuan | 117,880 | 4.327 (Chinese Yuan: New Taiwan Dollar) | <u>510,067</u> |
| | | | <u>\$ 606,242</u> |
| <u>Foreign Currency Liabilities</u> | | | |
| <u>Monetary Items</u> | | | |
| US Dollar | 5,078 | 30.705 (US Dollar: New Taiwan Dollar) | \$ 155,920 |
| Japanese Yen | 5,826 | 0.2172 (Japanese Yen: New Taiwan Dollar) | 1,265 |
| Chinese Yuan | 1,691 | 4.327 (Chinese Yuan: New Taiwan Dollar) | <u>7,317</u> |
| | | | <u>\$ 164,502</u> |

The unrealized foreign exchange gains and losses with significant impact are as follows:

| Foreign Currency | 2024 | | 2023 | |
|-----------------------------|-----------------------------------------|-------------------------------------|------------------------------------------|-------------------------------------|
| | Exchange Rate | Net Exchange (Loss) Gain | Exchange Rate | Net Exchange (Loss) Gain |
| US Dollar | 32.785 (US Dollar: New Taiwan Dollar) | \$ 25,238 | 30.705 (US Dollar: New Taiwan Dollar) | (\$ 7,800) |
| Japanese Yen | 0.210 (Japanese Yen: New Taiwan Dollar) | 1,618 | 0.2172 (Japanese Yen: New Taiwan Dollar) | (176) |
| Chinese Yuan | 4.478 (Chinese Yuan: New Taiwan Dollar) | (<u>1,180</u>) | 4.327 (Chinese Yuan: New Taiwan Dollar) | <u>104</u> |
| | | <u>\$ 25,676</u> | | <u>(\$ 7,872)</u> |

41. Notes Disclosure Items

(1) Material Transactions and 2. Information on Investee Companies:

| Number | Item | Description |
|--------|-------------------------------------------------------------------------------------------------------------------|-------------|
| 1 | Loans to Others. | Table I |
| 2 | Endorsements/Guarantees for Others. | Table II |
| 3 | Securities Held at the End of the Period. (Excluding Investments in Subsidiaries, Associates and Joint Ventures) | Table III |
| 4 | Accumulated Purchases or Sales of the Same Securities Reaching NT\$300 Million or 20% of Paid-in Capital or More. | Table III |
| 5 | Acquisition of Real Estate Reaching NT\$300 Million or 20% of Paid-in Capital or More. | Table V |
| 6 | Disposal of Real Estate Reaching NT\$300 Million or 20% of Paid-in Capital or More. | None |
| 7 | Purchases or Sales with Related Parties Reaching NT\$100 Million or 20% of Paid-in Capital or More. | Table VI |
| 8 | Receivables from Related Parties Reaching NT\$100 Million or 20% of Paid-in Capital or More. | None |
| 9 | Engaging in Derivative Transactions. | Note 7 |
| 10 | Investee Company Information | Table VII |

(3) Information on Investment in Mainland China:

| Number | Item | Description |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| 1 | Names of investee companies in Mainland China, their main business activities, paid-in capital, investment method, inward and outward remittance of funds, ownership percentage, profit or loss for the period and recognized investment gain or loss, ending investment carrying amount, investment income remitted back to Taiwan, and limits on investment in Mainland China. | Table VIII |
| 2 | Significant transactions that have occurred directly or indirectly through a third area with investee companies in Mainland China, including their prices, payment terms, and unrealized gains or losses: | |
| | 1. Purchase amount and percentage, and the ending balance and percentage of related accounts payable. | Table IX |
| | 2. Sales amount and percentage, and the ending balance and percentage of related accounts receivable. | Table IX |
| | 3. Amount of property transactions and the resulting gain or loss. | None |
| | 4. Ending balance of endorsements/guarantees or collateral provided and their purpose. | Table II |
| | 5. Maximum balance of financing, ending balance, interest rate range, and total interest for the current period. | Table I |
| | 6. Other transaction matters that have a significant impact on the current profit or loss or financial position, such as the provision or receipt of services, etc. | Table IX |

(4) Major shareholder information: names of shareholders with an ownership percentage of 5% or more, number of shares held, and percentage. Table IX

GUDENG PRECISION INDUSTRIAL CO., LTD.
LENDING FUNDS TO OTHERS

January 1 to December 31, 2024

Table I

Unit: New Taiwan Dollar and foreign currency in thousands, unless otherwise stated

| No. (Note 1) | Company lending funds | Borrowing entity | Nature of transaction | Whether related party | Maximum balance for the period | Ending Balance | Actual amount drawn | Interest rate range | Nature of fund lending (Note 2) | Business transaction amount | Reason for the necessity of short-term financing | Provision for bad debt | Collateral | | Individual lending limit (Note 3) | Aggregate lending limit (Note 3) | Notes |
|-----------------|------------------------------------------------|------------------------------------------------|-------------------------------------|-----------------------------|--------------------------------------|------------------------|------------------------|---------------------------|------------------------------------------|-----------------------------------|-----------------------------------------------------------|---------------------------|-----------------|------------------------|-----------------------------------------|----------------------------------------|-------|
| | | | | | | | | | | | | | Name | Value | | | |
| 0 | Gudeng Precision Industrial Co., Ltd. | We Solutions Technology Co., Ltd. | Other Receivables - Related Parties | Y | \$ 30,000 | \$ - | \$ - | 3% | 2 | \$ - | Operating turnover | \$ - | None | \$ - | \$ 4,005,919 | \$ 4,005,919 | |
| 0 | Gudeng Precision Industrial Co., Ltd. | Gudeng Venture Capital Co., Ltd. | Other Receivables - Related Parties | Y | 30,000 | - | - | 3% | 2 | - | Operating turnover | - | None | - | 4,005,919 | 4,005,919 | |
| 0 | Gudeng Precision Industrial Co., Ltd. | Suting Precision Industry Co., Ltd. | Other Receivables - Related Parties | Y | 50,000 | - | - | 3% | 2 | - | Operating turnover | - | None | - | 4,005,919 | 4,005,919 | |
| 0 | Gudeng Precision Industrial Co., Ltd. | Jiaqian Technology (Shanghai) Co., Ltd. | Other Receivables - Related Parties | Y | 262,280 (USD 8,000) | - | - | 3% | 2 | - | Operating turnover | - | None | - | 4,005,919 | 4,005,919 | |
| 0 | Gudeng Precision Industrial Co., Ltd. | Jiurun Precision Technology Co., Ltd. | Other Receivables | N | 25,000 | - | - | 3% | 2 | - | Operating turnover | - | None | - | 4,005,919 | 4,005,919 | |
| 1 | Gudeng Venture Capital Co., Ltd. | Gudeng Precision Industrial Co., Ltd. | Other Receivables - Related Parties | Y | 30,000 | - | - | 3% | 2 | - | Operating turnover | - | None | - | 4,005,919 | 4,005,919 | |
| 1 | Gudeng Venture Capital Co., Ltd. | Hengyang Green Energy Co., Ltd. | Other Receivables - Related Parties | Y | 20,000 | - | - | 3% | 2 | - | Operating turnover | - | None | - | 4,005,919 | 4,005,919 | |
| 1 | Gudeng Venture Capital Co., Ltd. | Gudeng Japan Co., LTD | Other Receivables - Related Parties | Y | 4,198 (JPY 20,000) | 4,198 (JPY 20,000) | - | 3% | 2 | - | Operating turnover | - | Promissory Note | 4,198 (JPY 20,000) | 4,005,919 | 4,005,919 | |
| 2 | We Solutions Technology Co., Ltd. | Suting Precision Industry Co., Ltd. | Other Receivables - Related Parties | Y | 15,000 | - | - | 3% | 2 | - | Operating turnover | - | None | - | 185,932 | 185,932 | |
| 3 | Kawaguchi Plastic Industry (Kunshan) Co., Ltd. | Dachuan Plastic Industrial (Kunshan) Co., Ltd. | Other Receivables - Related Parties | Y | 67,170 (RMB 15,000) | 67,170 (RMB 15,000) | - | 3% | 2 | - | Operating turnover | - | Promissory Note | 67,170 (RMB 15,000) | 4,005,919 | 4,005,919 | |
| 4 | Gudeng Investment Co., Ltd. | Jiaqian Technology (Shanghai) Co., Ltd. | Other Receivables - Related Parties | Y | 262,280 (USD 8,000) | - | - | 3% | 2 | - | Operating turnover | - | None | - | 4,005,919 | 4,005,919 | |

Note 1: The completion of the number field is as follows:

(1) Issuer fills in 0.

(2) Invested companies are numbered sequentially starting from Arabic numeral 1 according to company category.

Note 2: The nature of fund lending is explained as follows:

(1) Fill in 1 for business transactions.

(2) Fill in 2 for those with necessary short-term financing.

Note 3: The calculation method and amount of fund lending limit.

1. Individual fund lending limit:

(1) The Company's fund lending limit to individual counterparties is regulated according to the Company's fund lending procedures, which stipulates that it shall not exceed 40% of the Company's current net worth (as of 12/31/2024).

(2) The fund lending limit to individual counterparties by invested companies is regulated according to the Company's fund lending procedures, which stipulates that it shall not exceed 40% of the Company's current net worth (as of 12/31/2024).

2. Total fund lending limit:

(1) The Company's accumulated fund lending limit to external parties is regulated according to the Company's fund lending procedures, which stipulates that it shall not exceed 40% of the Company's current net worth (as of 12/31/2024).

(2) The accumulated fund lending limit to external parties by invested companies is regulated according to the Company's fund lending procedures, which stipulates that it shall not exceed 40% of the Company's current net worth (as of 12/31/2024).

3. The Company's fund lending limit is calculated based on the net worth in the financial statements audited by accountants; the fund lending limit for invested companies is calculated based on the net worth in the foreign currency financial statements of the Company audited by accountants.

GUDENG PRECISION INDUSTRIAL CO., LTD.
ENDORSEMENT AND GUARANTEE FOR OTHERS

January 1 to December 31, 2024

Table II

Unit: New Taiwan Dollar and foreign currency in thousands, unless otherwise stated

| No. (Note 1) | Name of endorsing/ guaranteeing company | Entity being endorsed/guaranteed | | Endorsement and guarantee limit for a single enterprise (Note 3) | Maximum balance of endorsement and guarantee for the current period | Ending balance of endorsement and guarantee | Actual amount drawn | Amount of endorsement and guarantee secured by property | Ratio of accumulated endorsement and guarantee amount to the net worth of the most recent financial statements (%) | Maximum Amount of Endorsement/ Guarantee (Note 3) | Endorsement and guarantee from parent company to subsidiaries | Endorsement and guarantee from subsidiaries to parent company | Endorsement and guarantee for Mainland China | Notes |
|-----------------|-----------------------------------------------|------------------------------------------------|--------------------------|---------------------------------------------------------------------------------|------------------------------------------------------------------------------------|---------------------------------------------------|------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------------------|------------------------------------------------------------------------------|-------------------------------------------------------|-------|
| | | Company Name | Relationship (Note 2) | | | | | | | | | | | |
| 0 | Gudeng Precision Industrial Co., Ltd. | Jiaqian Technology (Shanghai) Co., Ltd. | (3) | \$ 2,002,959 | \$ 841,864 (RMB188,000) | \$ 841,864 (RMB188,000) | \$ 430,873 | \$ - | 8.4% | \$ 5,007,399 | Y | N | Y | |
| 0 | Gudeng Precision Industrial Co., Ltd. | GUDENG INC (USA) | (3) | 2,002,959 | 32,785 (USD 1,000) | - | - | - | - | 5,007,399 | Y | N | N | |
| 0 | Gudeng Precision Industrial Co., Ltd. | Gudeng Japan Co., LTD | (3) | 2,002,959 | 257,987 (JYP 1,229) | 257,987 (JYP 1,229) | 253,199 | - | 2.58% | 5,007,399 | Y | N | N | |
| 0 | Gudeng Precision Industrial Co., Ltd. | Suting Precision Industry Co., Ltd. | (3) | 2,002,959 | 50,000 | 50,000 | - | - | 0.5% | 5,007,399 | Y | N | N | |
| 0 | Gudeng Precision Industrial Co., Ltd. | JYR Aviation Components Co., Ltd. | (3) | 2,002,959 | 90,000 | 90,000 | 20,000 | - | 0.9% | 5,007,399 | Y | N | N | |
| 0 | Gudeng Precision Industrial Co., Ltd. | Dachuan Plastic Industrial (Kunshan) Co., Ltd. | (3) | 2,002,959 | 358,240 (RMB 80,000) | 358,240 (RMB 80,000) | 80,917 | - | 3.58% | 5,007,399 | Y | N | Y | |

Note 1: The numbering column should be completed as follows:

- (1) Issuer fills in 0.
- (2) Invested companies are numbered sequentially starting from Arabic numeral 1 according to company category.

Note 2: The relationship between the endorser/guarantor and the endorsed/guaranteed party is as follows:

- (1) Companies with business relationships.
- (2) Subsidiaries in which the company directly holds more than 50% of ordinary shares.
- (3) Invested companies in which the parent company and subsidiaries jointly hold more than 50% of ordinary shares.
- (4) Parent companies that directly or indirectly hold more than 50% of ordinary shares in the company through subsidiaries.

Note 3: Calculation method and amount of endorsement/guarantee limits:

1. Endorsement and guarantee limit for a single enterprise:
 - (1) According to the Company's endorsement/guarantee operating procedures, the endorsement/guarantee limit for a single enterprise shall not exceed 20% of the Company's current net worth (12/31/2024).
 - (2) According to the Company's endorsement/guarantee operating procedures, the endorsement/guarantee limit for a single overseas affiliated company shall not exceed 20% of the Company's current net worth (12/31/2024).
2. Maximum limit of endorsement and guarantee:
 - (1) According to the Company's endorsement/guarantee operating procedures, the cumulative limit for external endorsements/guarantees shall not exceed 50% of the Company's current net worth (12/31/2024).

GUDENG PRECISION INDUSTRIAL CO., LTD.
STATUS OF SECURITIES HELD AT THE END OF THE PERIOD

December 31, 2024

Table III

Unit: In Thousands of New Taiwan Dollars, except for number of shares

| Holding Company | Types and Names of Securities (Note 1) | Relationship with the Securities Issuer | Account Classification | End of Period | | | | Notes |
|--------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------|---------------------------------------------------------------------------------|-----------------------------------|---------------------------------------|-----------------------------------|---------------------------------------|--------|
| | | | | Number of Shares | Carrying Amount | Shareholding Ratio | Fair value | |
| Gudeng Precision Industrial Co., Ltd. | Listed Companies | | | | | | | |
| | Symtek Automation Asia Co., Ltd. | Substantial related party | Financial assets at fair value through other comprehensive income - non-current | 4,161,692 | \$ 861,470 | 5.36 | \$ 861,470 | — |
| | Emerging Stock Company Proware Information Co., Ltd. | — | " | 4,000,000 | <u>224,147</u> <u>\$ 1,085,617</u> | 7.99 | <u>224,147</u> <u>\$ 1,085,617</u> | Note 2 |
| | Domestic Limited Partnerships BBtruck Inc. | — | Financial assets at fair value through profit or loss - non-current | - | <u>\$ 44,212</u> | - | <u>\$ 44,212</u> | — |
| Gudeng Venture Capital Co., Ltd. | Listed Companies | | | | | | | |
| | Symtek Automation Asia Co., Ltd. | Substantial related party | Financial assets at fair value through profit or loss - current | 2,508,713 | \$ 519,303 | 3.23 | \$ 519,303 | — |
| | Asia Neo Tech Industrial Co., Ltd. | — | Financial assets at fair value through other comprehensive income - non-current | 2,443,000 | 223,535 | 7.57 | 223,535 | — |
| | Emerging Stock Company Chyi Ding Technologies Co., Ltd. | — | Financial assets at fair value through profit or loss - current | 600,000 | <u>43,350</u> | 1.72 | <u>43,350</u> | — |
| | | | | | <u>\$ 786,188</u> | | <u>\$ 786,188</u> | |
| | Non-publicly traded company Yinsmart Technology Co., Ltd. | — | Financial assets at fair value through profit or loss - current | 25,000 | \$ - | 5.00 | \$ - | — |
| | NanoClean Materials Co., LTD. | — | Financial assets at fair value through other comprehensive income - non-current | 1,000,000 | 2,720 | 10.00 | 2,720 | — |
| | Jiurun Precision Technology Co., Ltd. | — | " | 932,000 | 43,813 | 16.00 | 43,813 | — |
| | Origin Precision Technology Co., Ltd. | — | " | 590,000 | 8,242 | 19.67 | 8,242 | — |
| | Certain Micro Application Technology Inc. | — | " | 1,595,495 | 97,389 | 8.62 | 97,389 | — |
| KoJem International Co., Ltd. Shun Jih Fa Co., Ltd. | — Substantial related party | " " | 761,533 3,750,000 | 10,471 38,850 | 3.33 15.00 | 10,471 38,850 | — — | |
| ShuChen AI Co., Ltd. | — | " | 2,571,400 | <u>8,800</u> <u>\$ 210,285</u> | 10.00 | <u>8,800</u> <u>\$ 210,285</u> | — | |

(Continued on next page)

(Continued from previous page)

| Holding Company | Types and Names of Securities (Note 1) | Relationship with the Securities Issuer | Account Classification | End of Period | | | | Notes |
|---------------------------------------|---------------------------------------------------------------|-----------------------------------------|---------------------------------------------------------------------------------|------------------|-----------------|--------------------|------------|-------|
| | | | | Number of Shares | Carrying Amount | Shareholding Ratio | Fair value | |
| Cypress Precision Industrial Co., Ltd | Non-publicly traded company Ting Shan Enterprise Co., Ltd. | — | Financial assets at fair value through profit or loss - current | 300,000 | \$ — | 9.58 | \$ — | — |
| Fu Rui Sheng Industrial Co., Ltd. | Non-publicly traded company Ting Shan Enterprise Co., Ltd. | — | Financial assets at fair value through profit or loss - current | 357,950 | \$ — | 11.43 | \$ — | — |
| Gu Chance Venture Capital CO., LTD.. | Non-publicly traded company Knight Tech Material Co., Ltd. | — | Financial assets at fair value through other comprehensive income - non-current | 3,440,000 | \$ 158,240 | 5.00 | \$ 158,240 | — |

Note 1: The term "securities" as used in this table refers to stocks, bonds, beneficiary certificates, and derivative securities that fall within the scope of IFRS 9 "Financial Instruments".

Note 2: These are private placement common shares, which are financial products that have an active market but cannot be sold due to lock-up period restrictions. The fair value of these financial products is determined based on relevant market prices.

Note 3: The securities held by the Company, except as disclosed in the remarks, are not provided as guarantees, pledged for loans, or restricted by other contractual arrangements.

GUDENG PRECISION INDUSTRIAL CO., LTD.

ACCUMULATED PURCHASES OR SALES OF THE SAME SECURITY REACHING NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL OR MORE

January 1 to December 31, 2024

Table IV

Unit: In Thousands of New Taiwan Dollars, unless otherwise specified

| Buying/Selling Company | Type and Name of Securities | Account Classification | Trading Counterparty | Relationship | Beginning Balance | | Purchase | | Sale | | | Other Adjustment Items (Note) | End of Period | | |
|-------------------------------------------|--------------------------------------|---------------------------------------------------------------------------------|--------------------------------------|--------------|-------------------|---------|------------------|------------|------------------|---------------|-----------|-------------------------------|-----------------------|------------------|------------|
| | | | | | Number of Shares | Amount | Number of Shares | Amount | Number of Shares | Selling Price | Book Cost | | Gain/Loss on Disposal | Number of Shares | Amount |
| Gudeng Aerospace Technologies Corporation | JYR Aviation Components Co., Ltd. | Investments Accounted for Using Equity Method | JYR Aviation Components Co., Ltd. | subsidiaries | - | \$ - | 21,567,979 | \$ 260,685 | - | \$ - | \$ - | \$ - | (\$ 32,186) | 21,567,979 | \$ 228,499 |
| Gudeng Precision Industrial Co., Ltd. | Gudeng Venture Capital Co., Ltd. | Investments Accounted for Using Equity Method | Gudeng Venture Capital Co., Ltd. | subsidiaries | 56,700,000 | 967,379 | 2,000,000 | 200,000 | - | - | - | - | 428,911 | 58,700,000 | 1,596,290 |
| Gudeng Precision Industrial Co., Ltd. | Gudeng Equipment Co., Ltd. | Investments Accounted for Using Equity Method | Gudeng Equipment Co., Ltd. | subsidiaries | 12,782,268 | 343,515 | 857,000 | 230,107 | - | - | - | - | 134,696 | 13,639,268 | 708,318 |
| Gudeng Precision Industrial Co., Ltd. | We Solutions Technology Co., Ltd. | Investments Accounted for Using Equity Method | Giga Computing Technology Co., Ltd. | - | 25,000,000 | 303,790 | - | - | 7,000,000 | 210,000 | 87,161 | - | 36,149 | 18,000,000 | 252,778 |
| Gudeng Precision Industrial Co., Ltd. | Gudeng Japan Co., LTD | Investments Accounted for Using Equity Method | Gudeng Japan Co., LTD | subsidiaries | - | - | 47,040 | 196,167 | - | - | - | - | (8,087) | 47,040 | 188,080 |
| Gudeng Precision Industrial Co., Ltd. | Gu Chance Venture Capital CO., LTD.. | Investments Accounted for Using Equity Method | Gu Chance Venture Capital CO., LTD.. | subsidiaries | - | - | 28,000,000 | 280,000 | - | - | - | - | 607 | 28,000,000 | 280,607 |
| Gudeng Precision Industrial Co., Ltd. | Jia Shuo Construction, Inc. | Investments Accounted for Using Equity Method | Gudeng Venture Capital Co., Ltd. | subsidiaries | - | - | 22,110,000 | 210,285 | - | - | - | - | (768) | 22,110,000 | 209,517 |
| Gudeng Precision Industrial Co., Ltd. | Microprogram information Co.,Ltd | Financial assets at fair value through other comprehensive income - non-current | Microprogram information Co.,Ltd | - | - | - | 4,000,000 | 258,400 | - | - | - | - | (34,253) | 4,000,000 | 224,147 |

Note: Including recognition of subsidiaries' profit or loss using the equity method, adjustments for equity transactions, adjustments for disposal of equity instruments measured at fair value through other comprehensive income, gains/losses on financial asset valuation, and exchange differences on translation of the financial statements of foreign operations.

GUDENG PRECISION INDUSTRIAL CO., LTD.

ACQUISITION OF REAL ESTATE REACHING NT\$300 MILLION OR 20% OF PAID-IN CAPITAL OR MORE

2024

Table V

Unit: In Thousands of New Taiwan Dollars, unless otherwise specified

| Company acquiring real estate | Property name | Transaction date | Transaction amount | Payment status | Trading Counterparty | Relationship | Related party information for previous transfers | | | | Basis for price determination | Purpose of acquisition and usage status | Other agreed terms |
|-------------------------------|-------------------------------|------------------|--------------------|-----------------------------------------|--------------------------------|-------------------|--------------------------------------------------|------------------------------|---------------|--------|--------------------------------------------------------------|-----------------------------------------|--------------------|
| | | | | | | | Owner | Relationship with the issuer | Transfer date | Amount | | | |
| Gudeng Equipment Co., Ltd. | Southern Science Park Factory | 2024.12.06 | \$ 900,000 | Paid according to construction contract | Verizon Construction Co., Ltd. | Non-related party | - | - | - | - | Through a bidding process, negotiation after winning the bid | Self-built for operation | - |

GUDENG PRECISION INDUSTRIAL CO., LTD.

PURCHASES FROM AND SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

January 1 to December 31, 2024

Table VI

Unit: In Thousands of New Taiwan Dollars, unless otherwise specified

| Purchasing (selling) company | Name of transaction counterparty | Relationship | Transaction status | | | | Circumstances and reasons for transaction conditions differing from general transactions | | Notes and accounts receivable (payable) | | Notes |
|---------------------------------------|-----------------------------------------|-------------------------|--------------------|------------|---------------------------------------|------------------------------|------------------------------------------------------------------------------------------|---------------|-----------------------------------------|---------------------------------------------------------------------------------|-------|
| | | | Purchases (sales) | Amount | Percentage of total purchases (sales) | Credit period | Unit price | Credit period | Balance | Percentage of total notes and accounts receivable (payable) Percentage ratio | |
| Gudeng Precision Industrial Co., Ltd. | Jiaqian Technology (Shanghai) Co., Ltd. | Same affiliated company | Sales | \$ 158,231 | 3 | 120 days, monthly settlement | - | - | \$ 59,098 | 6 | |
| " | We Solutions Technology Co., Ltd. | " | Purchases | 149,832 | 12 | 65 days, monthly settlement | - | - | (24,644) | (7) | |

Note 1: If the terms of related party transactions differ from general transaction terms, differences and reasons should be explained in the unit price and credit period columns.

Note 2: If there are advance receipts (payments), the reasons, contractual terms, amounts, and differences from general transaction patterns should be explained in the remarks column.

Note 3: The paid-in capital refers to the paid-in capital of the parent company. In the case of an issuer whose stocks have no par value or a par value other than NT\$10 per share, the transaction amount requirement of 20% of paid-in capital shall be calculated as 10% of equity attributable to owners of the parent as stated in the balance sheet.

GUDENG PRECISION INDUSTRIAL CO., LTD.

INVESTEE COMPANY INFORMATION, LOCATION...AND OTHER RELEVANT INFORMATION

January 1 to December 31, 2024

Table VII

Unit: Except for number of shares, in thousands of New Taiwan Dollars and foreign currency

| Name of investing company | Name of Investee Company | Location | Main Business Activities | Original Investment Amount | | End of Period Holdings | | | Current Period Profit (Loss) of Investee Company | Investment Profit (Loss) Recognized in Current Period | Notes |
|---------------------------------------|-------------------------------------------|---------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|----------------------------|------------------|------------------------|-----------|-----------------|--------------------------------------------------|-------------------------------------------------------|--------|
| | | | | End of Current Period | End of Last Year | Number of Shares | Ratio (%) | Carrying Amount | | | |
| Gudeng Precision Industrial Co., Ltd. | Rich Point Global Corp. | Equity Trust Chambers, P. O. Box 3269, Apia, Samoa | Investments in Various Business Operations | \$ 388,571 | \$ 388,571 | - | 100 | \$ 639,027 | \$ 115,470 | \$ 115,470 | Note 1 |
| | Gudeng Venture Capital Co., Ltd. | 8F-5, No. 2, Sec. 4, Zhongyang Rd., Tucheng Dist., New Taipei City | Venture capital investment and management consulting services | 1,077,000 | 877,000 | 58,700,000 | 100 | 1,596,290 | 242,169 | 242,169 | Note 1 |
| | We Solutions Technology Co., Ltd. | No. 9, Dongyuan 2nd Rd., Zhongli Dist., Taoyuan City | Trading, Maintenance, and Servicing of Various Precision Instruments | 179,798 | 248,825 | 18,000,000 | 54.38 | 252,778 | 56,317 | 41,687 | Note 1 |
| | Gudeng Equipment Co., Ltd. | No. 106, Sec. 2, Fuxing 3rd Rd., Zhubei City, Hsinchu County | Manufacturing, trading, maintenance, and servicing of various precision instruments | 316,673 | 86,566 | 13,639,268 | 45.44 | 708,318 | 239,746 | 104,572 | Note 1 |
| | Gudeng Inc. (USA) | 1798 Technology DR, #298 San Jose, CA, 95110 | Operation of various electronic component businesses | USD 2,652 | USD 2,652 | 2,652,000 | 51 | 105,281 | 4,927 | 2,513 | Note 1 |
| | Gudeng Aerospace Technologies Corporation | 10F, No. 2, Sec. 4, Zhongyang Rd., Tucheng Dist., New Taipei City | Aircraft and parts retail, wholesale, and manufacturing | 320,000 | 320,000 | 16,000,000 | 100 | 286,970 | (33,575) | (33,575) | Note 1 |
| | TSS Holdings Limited | 4F, No. 172, Sec. 2, Minsheng E. Rd., Zhongshan Dist., Taipei City | Investment and management consulting business | 20,000 | 20,000 | 2,132,483 | 12.5 | 26,243 | 1,957 | 245 | Note 1 |
| | Gudeng Japan Co., LTD | 2 | Operation of various electronic component businesses | JPY 930,900 | - | 47,040 | 100 | 188,080 | (7,361) | (7,361) | Note 1 |
| | Global Magic Electronic Co., Ltd. | 17F-2, No. 700, Zhongzheng Rd., Zhonghe Dist., New Taipei City | Operation of various electronic component businesses | - | - | - | - | - | (96,166) | (17,481) | Note 1 |
| | Jia Shuo Construction, Inc. | 8F-5, No. 2, Sec. 4, Zhongyang Rd., Tucheng Dist., New Taipei City | Industrial plant, residential and building development, rental and sales business, real estate buying, selling, and leasing business | 210,285 | - | 22,110,000 | 100 | 209,517 | (4,121) | (768) | Note 1 |
| | Gu Chance Venture Capital CO., LTD.. | 10F, No. 2, Sec. 4, Zhongyang Rd., Tucheng Dist., New Taipei City | Investment and management consulting business | 280,000 | - | 28,000,000 | 100 | 280,607 | 2,268 | (3,401) | Note 1 |
| | Fu Rui Sheng Industrial Co., Ltd. | 16F-3, No. 598, Sec. 1, Dunhua Rd., Houzhuang Vil., Beitun Dist., Taichung City | Investment and management consulting business | 167,476 | - | 5,858,000 | 100 | 167,493 | 11,624 | 17 | Note 1 |
| Rich Point Global Corp. | Sun Park Development Limited | Suite 2302-6 23/F Great Eagle CTR 23 Harbour RD Wanchai H.K. | Investments in Various Business Operations | RMB 63,920 | RMB 63,920 | - | 100 | RMB 115,075 | RMB 25,318 | RMB 25,318 | Note 1 |
| | Gudeng Investment Co., Ltd. | TMF Chambers, P. O. Box 3269, Apia, Samoa | Investments in Various Business Operations | RMB 22,549 | RMB 22,549 | - | 100 | RMB 28,021 | RMB 511 | RMB 511 | Note 1 |
| Gudeng Venture Capital Co., Ltd. | Jia Shuo Construction, Inc. | 8F-5, No. 2, Sec. 4, Zhongyang Rd., Tucheng Dist., New Taipei City | Industrial plant, residential and building development, rental and sales business, real estate buying, selling, and leasing business | - | 165,100 | - | - | (4,121) | (3,353) | Note 1 | |

(Continued on next page)

(Continued from previous page)

| Name of investing company | Name of Investee Company | Location | Main Business Activities | Original Investment Amount | | End of Period Holdings | | | Current Period Profit (Loss) of Investee Company | Investment Profit (Loss) Recognized in Current Period | Notes |
|-------------------------------------------|---------------------------------------|---------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|------------------|------------------------|-----------|-----------------|--------------------------------------------------|-------------------------------------------------------|--------|
| | | | | End of Current Period | End of Last Year | Number of Shares | Ratio (%) | Carrying Amount | | | |
| | Jin Hui Technology Co., Ltd. | No. 43, Jingjian 4th Rd., Guanyin Dist., Taoyuan City | Surface treatment and heat treatment, wholesale of chemical materials, manufacturing of other chemical materials and other metals, wholesale of pollution prevention equipment, wholesale of recycling materials | \$ 36,050 | \$ 35,000 | 3,570,000 | 34.76 | \$ 52,495 | \$ 5,277 | \$ 1,811 | Note 1 |
| Gudeng Venture Capital Co., Ltd. | i Analyzer Incorporation | 7F-8, No. 200, Sec. 1, Dunhua S. Rd., Da'an Dist., Taipei City | Manufacturing, trading, maintenance, and servicing of various precision instruments | 78,806 | 78,806 | 24,298,415 | 30.64 | 57,720 | (11,342) | (4,034) | Note 1 |
| | Hengyang Green Energy Co., Ltd. | 2F, No. 50, Yongkehuan Rd., Wangxing Vil., Yongkang Dist., Tainan City | Piping engineering and electrical installation | 157,500 | 153,000 | 15,750,000 | 45 | 145,511 | (8,563) | (3,853) | Note 1 |
| | YAHOO System Technology Co., Ltd. | No. 7-27, Liujia Ln., Yonghe Rd., Daya Dist., Taichung City | Equipment engineering industry, machinery equipment manufacturing industry | 45,389 | 26,601 | 1,586,073 | 20.05 | 62,953 | 58,950 | 11,915 | Note 1 |
| | Global Magic Electronic Co., Ltd. | 17F-2, No. 700, Zhongzheng Rd., Zhonghe Dist., New Taipei City | Operation of various electronic component businesses | 135,969 | - | 1,250,000 | 29.98 | 125,955 | (96,166) | (10,015) | Note 1 |
| Gudeng Equipment Co., Ltd. | Showa Precision Co., Ltd. | 8F-6, No. 100, Sec. 1, Jiafeng 11th Rd., Zhubei City, Hsinchu County | Design and modification of PVD vacuum technology-related equipment for semiconductors and panels | 70,000 | 70,000 | 3,773,236 | 100 | 62,965 | (3,704) | (4,547) | Note 1 |
| | Gudeng Inc. (USA) | 1798 Technology DR, #298 San Jose, CA, 95110 | Operation of various electronic component businesses | USD 208 | USD 208 | 208,000 | 4 | 8,257 | 4,927 | 197 | Note 1 |
| We Solutions Technology Co., Ltd. | Fu Rui Sheng Industrial Co., Ltd. | 16F-3, No. 598, Sec. 1, Dunhua Rd., Houzhuang Vil., Beitun Dist., Taichung City | Investment and management consulting business | - | 96,551 | - | - | - | 11,624 | 6,817 | Note 1 |
| | Suting Precision Industry Co., Ltd. | 1F, No. 8, Ln. 64, Sec. 2, Gansu Rd., Dahe Vil., Xitun Dist., Taichung City | Mold manufacturing industry, wholesale and mechanical equipment manufacturing | - | 76,365 | - | - | - | 13,254 | 4,688 | Note 1 |
| | Cypress Precision Industrial Co., Ltd | No. 2, Ln. 146, Fuyi Rd., Yixin Vil., Taiping Dist., Taichung City | Mold manufacturing industry, wholesale and mechanical equipment manufacturing | - | 450 | - | - | - | 12,993 | 42 | Note 1 |
| Fu Rui Sheng Industrial Co., Ltd. | Cypress Precision Industrial Co., Ltd | No. 2, Ln. 146, Fuyi Rd., Yixin Vil., Taiping Dist., Taichung City | Mold manufacturing industry, wholesale and mechanical equipment manufacturing | 17,186 | 16,740 | 1,683,000 | 93.5 | 87,686 | 12,993 | 12,106 | Note 1 |
| Gu Chance Venture Capital CO., LTD. | Suting Precision Industry Co., Ltd. | 1F, No. 8, Ln. 64, Sec. 2, Gansu Rd., Dahe Vil., Xitun Dist., Taichung City | Mold manufacturing industry, wholesale and mechanical equipment manufacturing | 80,751 | - | 10,843,000 | 100 | 88,184 | 13,254 | 2,432 | Note 1 |
| Gudeng Aerospace Technologies Corporation | JYR Aviation Components Co., Ltd. | No. 3, Shengde Rd., Gangshan Dist., Kaohsiung City | Aircraft and parts retail, wholesale, and manufacturing | 260,685 | - | 21,567,979 | 51 | 228,499 | (63,110) | (32,186) | Note 1 |
| | Gudeng Aerospace Inc. | 131 Continental Drive, Suite 301 Newark, DE 19713-4323 | Aircraft and parts retail, wholesale, and manufacturing | USD 500 | - | 5 | 100 | 14,576 | (1,790) | (1,790) | Note 1 |

Note 1: The (loss) profit of the invested company for the current period and the recognized investment (loss) profit for the current period are amounts audited by the CPA.

Note 2: For information regarding invested companies in Mainland China, please refer to Table VIII.

GUDENG PRECISION INDUSTRIAL CO., LTD.
MAINLAND CHINA INVESTMENT INFORMATION

January 1 to December 31, 2024

Table VIII

Unit: New Taiwan Dollar and foreign currency in thousands, unless otherwise stated

| Name of Invested Company in Mainland China | Main Business Activities | Paid-in Capital | Investment Method (Note 1) | Accumulated Investment Amount Remitted from Taiwan at the Beginning of the Period | Outward or Inward Remittance of Investment Amount for the Period | | Accumulated Outward Remittance from Taiwan at the End of the Period | Investee Company Profit (Loss) for the Period | Shareholding Ratio Directly or Indirectly Invested by the Company (%) | Investment Gain or Loss Recognized for the Period (Note 2) | Carrying Amount of Investment at the End of the Period | Investment Income Remitted as of the End of the Period | Notes |
|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------------------------------------|----------|---------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------------------------------|------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|-------|
| | | | | | Outward Remittance | Recovery | | | | | | | |
| Jiaqian Technology (Shanghai) Co., Ltd. | Wholesale, import and export, commission agency, and related supporting services for plastic products, electrical products, hardware and electrical appliances, etc. | USD 7,950 | (2) Investing Company: | \$ 260,641 (USD 7,950) | \$ - | \$ - | \$ 260,641 (USD 7,950) | \$ 111,680 (RMB 25,074) | 100 | \$ 111,680 (RMB 25,074) (2)B | \$ 485,594 (RMB 108,440) | \$ - | |
| Kawaguchi Plastic Industry (Kunshan) Co., Ltd. | Plastic and electronic product manufacturing | RMB 13,656 | (1) Investing Company: Jiaqian Technology (Shanghai) Co., Ltd. | - | - | - | - | 62,124 (RMB 13,948) | 100 | 58,539 (RMB 13,143) (2)B | 557,350 (RMB 124,464) | - | |
| Dachuan Plastic Industrial (Kunshan) Co., Ltd. | Plastic and electronic product manufacturing | RMB 15,500 | (1) Investing Company: Kawaguchi Plastic Industry (Kunshan) Co., Ltd. | - | - | - | - | 56,303 (RMB 12,641) | 100 | 56,303 (RMB 12,641) (2)B | 306,855 (RMB 68,525) | - | |

| Accumulated Investment Amount Remitted from Taiwan to Mainland China at the End of the Current Period | Investment Amount Approved by the Investment Commission, Ministry of Economic Affairs | Investment Limit in Mainland China as Approved by the Investment Commission, Ministry of Economic Affairs |
|-------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| NTD 260,641 (USD 7,950) | NTD 521,251 (USD 7,950) (RMB 58,198) | NTD 6,008,878 (USD 183,281) |

Note 1: Investment methods are classified into the following five categories:

- (1) Directly investing in Mainland China.
- (2) Reinvesting in Mainland China through a third-area company (please specify the investment company in the third area).
- (3) Other methods.

Note 2: In the column of recognized investment income (loss) for the current period:

- (1) If the company is in preparation and has no investment income or loss yet, it should be specified.
- (2) The basis for recognizing investment income or loss is divided into the following three types, which should be specified.
 - A. Financial statements audited by international accounting firms that have cooperative relationships with accounting firms in the Republic of China.
 - B. Financial statements audited by the certifying accountant of the Taiwan parent company.
 - C. Others - based on financial statements not audited by accountants.

Note 3: The relevant amounts in this table are listed in New Taiwan Dollars. For amounts involving foreign currencies, they are converted to New Taiwan Dollars using the spot exchange rate on the financial report date (the USD spot exchange rate on 12/31/2024 was 32.785; the RMB spot exchange rate was 4.478; the RMB income and expense exchange rate was 4.454; the JPY exchange rate was 0.2099).

GUDENG PRECISION INDUSTRIAL CO., LTD.

MAJOR TRANSACTIONS WITH MAINLAND CHINA INVESTED COMPANIES DIRECTLY OR INDIRECTLY THROUGH THIRD REGIONS, INCLUDING PRICE, PAYMENT TERMS, UNREALIZED GAINS/LOSSES, AND OTHER RELEVANT INFORMATION

January 1 to December 31, 2024

Table IX

Unit: In Thousands of New Taiwan Dollars, unless otherwise specified

| Name of Invested Company in Mainland China | Transaction type | Purchase, sales, and service expenses | | Price | Transaction terms | | Notes and accounts receivable (payable) | | Unrealized gains/losses | Notes |
|------------------------------------------------|------------------|---------------------------------------|------------|---------------------------|---------------------------|--------------------------------------|-----------------------------------------|------------|-------------------------|-------|
| | | Amount | Percentage | | Payment terms | Comparison with regular transactions | Amount | Percentage | | |
| Jiaqian Technology (Shanghai) Co., Ltd. | Sales | \$ 158,231 | 4 | Same as regular customers | Same as regular customers | Same as regular customers | \$ 59,098 | 6 | \$ - | |
| " | Service fees | 147,220 | 13 | Same as regular customers | Same as regular customers | Same as regular customers | (13,715) | (1) | - | |
| Dachuan Plastic Industrial (Kunshan) Co., Ltd. | Processing fee | 41,598 | 3 | Same as regular customers | Same as regular customers | Same as regular customers | (6,158) | (2) | - | |
| Chongqing Global Magic Electronic Co., Ltd. | Sales | 13,233 | - | Same as regular customers | Same as regular customers | Same as regular customers | 11,447 | - | - | |

GUDENG PRECISION INDUSTRIAL CO., LTD.
MAJOR SHAREHOLDER INFORMATION

December 31, 2024

Table IX

Unit: shares

| Name of major shareholder | Shares | |
|---------------------------|-----------------------|--------------------|
| | Number of shares held | Shareholding Ratio |
| Zhuang, Ming-Lang | 8,362,219 | 8.71% |
| Chiu, Ming-Chien | 6,708,527 | 6.99% |

Note 1: The information of major shareholders in this table is calculated by the Taiwan Depository & Clearing Corporation based on the last business day of the current quarter, calculating shareholders who hold 5% or more of the company's dematerialized common and preferred shares (including treasury shares). The share capital recorded in the Company's stand-alone financial statements may differ from the actual number of dematerialized shares delivered due to different preparation and calculation bases.

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GUDENG PRECISION INDUSTRIAL CO., LTD.
STATEMENT OF CASH AND CASH EQUIVALENTS

December 31, 2024

Statement 1

Unit: NT\$1,000 unless otherwise specified

| <u>Item</u> | <u>Summary</u> | <u>Amount</u> |
|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|---------------------|
| Cash | | |
| Cash on Hand | | \$ 414 |
| Petty Cash | | 132 |
| Cash Equivalents | | 150,000 |
| (Time Deposits with Original Maturities of 3 Months or Less) | | |
| Bank deposits | | |
| Checks and Demand Deposits | | 1,338,871 |
| Foreign Currency Demand Deposits | Including US\$2,048 thousand @32.785, JPY90,007 thousand @0.2099, and EUR113 thousand @34.14 | <u>89,899</u> |
| | | <u>1,428,770</u> |
| | | <u>\$ 1,579,316</u> |

GUDENG PRECISION INDUSTRIAL CO., LTD.
STATEMENT OF ACCOUNTS RECEIVABLE

December 31, 2024

Statement 2

Unit: In Thousands of New Taiwan Dollars

| Customer Name | Amount |
|------------------------------------------------|-------------------|
| Related Party | |
| Jiaqian Technology (Shanghai) Co., Ltd. | \$ 59,098 |
| Dachuan Plastic Industrial (Kunshan) Co., Ltd. | 33,647 |
| Chongqing Huanmei Electronic Co., Ltd. | 11,447 |
| Suting Precision Industry Co., Ltd. | 8,030 |
| Gudeng Equipment Co., Ltd. | 1,908 |
| Gudeng Inc. | 42 |
| | <u>\$ 114,172</u> |
| Non-related party | |
| Customer A | \$ 264,850 |
| Customer B | 249,250 |
| Customer C | 59,078 |
| Customer D | 44,320 |
| Others (Note) | 343,435 |
| | <u>960,933</u> |
| Less: Loss allowance | (1,450) |
| | <u>\$ 959,483</u> |

Note: The balance of each account does not exceed five percent of the total balance of this account.

GUDENG PRECISION INDUSTRIAL CO., LTD.
STATEMENT OF INVENTORIES

December 31, 2024

Statement 3

Unit: In Thousands of New Taiwan Dollars

| Item | Amount | |
|------------------------------------------------------------------|--------------------|--------------------------------|
| | Cost | Market price (Note) |
| Raw materials | \$ 290,885 | \$ 279,953 |
| Semi-finished products | 403,198 | 1,142,989 |
| Work in progress | 139,323 | 334,029 |
| Finished products | 269,829 | 432,777 |
| Goods | <u>11,236</u> | - |
| | 1,114,471 | |
| Less: Allowance for inventory valuation and obsolescence loss | (<u>136,778</u>) | |
| | <u>\$ 977,693</u> | |

Note: Market price is determined based on net realizable value.

GUDENG PRECISION INDUSTRIAL CO., LTD.

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT

2024

Statement 4

Unit: NT\$1,000 unless otherwise specified

| Name of financial instrument | Beginning balance | | Increase in Current Year | | Reclassification during the year | | Gain on valuation of financial assets (Note 1) | Ending balance | | Provision of Guarantee or Pledge |
|-------------------------------------------------------------------------|-------------------|-------------------|--------------------------|-------------------|----------------------------------|--------------|------------------------------------------------|------------------|---------------------|----------------------------------|
| | Number of Shares | Fair value | Number of Shares | Amount | Number of Shares | Amount | | Number of Shares | Fair value | |
| Publicly traded placement shares Symtek | 4,000,000 | \$ 398,437 | - | \$ - | (4,000,000) | (\$ 398,437) | \$ - | - | \$ - | - |
| Domestic publicly traded shares Symtek | 161,692 | 16,897 | - | - | 4,000,000 | 398,437 | 446,136 | 4,161,692 | 861,470 | None |
| Emerging Stocks Private Placement MicroProgram Information Co., Ltd. | - | - | 4,000,000 | 258,400 | - | - | (34,253) | 4,000,000 | 224,147 | None |
| Total | | <u>\$ 415,334</u> | | <u>\$ 258,400</u> | | <u>\$ -</u> | <u>\$ 411,883</u> | | <u>\$ 1,085,617</u> | |

Note 1: Gain on valuation of financial assets is recorded under other equity items.

GUDENG PRECISION INDUSTRIAL CO., LTD.
STATEMENT OF CHANGES IN LONG-TERM INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

2024

Statement 5

Unit: NT\$1,000 unless otherwise specified

| | Beginning balance | | Increase in Current Year | | Decrease during the year | | Distribution of stock dividends | | Earnings distribution | Recognition of changes in ownership interests and other comprehensive (loss) income of subsidiaries | Investment (loss) gain (Note 1) | Cumulative translation adjustments | Ending balance | | | Market price or net equity value (Note 2) | | Valuation basis | Provision of Guarantee or Pledge |
|-------------------------------------------|-------------------|---------------------|--------------------------|---------------------|--------------------------|-------------------|---------------------------------|--------|-----------------------|-----------------------------------------------------------------------------------------------------|---------------------------------|------------------------------------|------------------|--------------------|---------------------|-------------------------------------------|---------------------|-----------------|----------------------------------|
| | Number of Shares | Amount | Number of Shares | Amount | Number of Shares | Amount | Number of Shares | Amount | | | | | Number of Shares | Shareholding Ratio | Amount | Unit price (NT\$) | Total price | | |
| OTC company | | | | | | | | | | | | | | | | | | | |
| Gudeng Equipment Co., Ltd. | 12,782,268 | \$ 343,515 | 857,000 | \$ 230,107 | - | \$ - | - | \$ - | (\$ 57,970) | \$ 87,854 | \$ 104,572 | \$ 240 | 13,639,268 | 45.44 | \$ 708,318 | 51.93 | \$ 708,318 | Equity Method | None |
| Non-publicly traded company | | | | | | | | | | | | | | | | | | | |
| Rich Point Global Corp. | - | 510,067 | - | - | - | - | - | - | - | - | 115,470 | 13,490 | - | 100 | 639,027 | - | 639,027 | Equity Method | None |
| Gudeng Venture Capital Co., Ltd. | 56,700,000 | 967,379 | 2,000,000 | 200,000 | - | - | - | - | - | 186,690 | 242,169 | 52 | 58,700,000 | 100 | 1,596,290 | 27.19 | 1,596,290 | Equity Method | None |
| We Solutions Technology Co., Ltd. | 25,000,000 | 303,790 | - | - | 7,000,000 | 210,000 | - | - | (25,000) | 142,301 | 41,687 | - | 18,000,000 | 54.38 | 252,778 | 14.04 | 252,778 | Equity Method | None |
| Gudeng Inc. (USA) | 2,652,000 | 96,175 | - | - | - | - | - | - | - | - | 2,513 | 6,593 | 2,652,000 | 51 | 105,281 | 39.70 | 105,281 | Equity Method | None |
| Gudeng Aerospace Technologies Corporation | 16,000,000 | 320,381 | - | - | - | - | - | - | - | - | (33,575) | 164 | 16,000,000 | 100 | 286,970 | 17.94 | 286,970 | Equity Method | None |
| TSS Holdings Limited | 2,000,000 | 21,781 | - | - | - | - | 132,483 | - | - | 3,487 | 245 | 730 | 2,132,483 | 12.5 | 26,243 | 12.31 | 26,243 | Equity Method | None |
| Gudeng Japan Co., LTD | - | - | 47,040 | 196,167 | - | - | - | - | - | - | (7,361) | (726) | 47,040 | 100 | 188,080 | 3,998.30 | 188,080 | Equity Method | None |
| Jia Shuo Construction, Inc. | - | - | 22,110,000 | 210,285 | - | - | - | - | - | - | (768) | - | 22,110,000 | 100 | 209,517 | 9.48 | 209,517 | Equity Method | None |
| Gu Chance Venture Capital CO., LTD. | - | - | 28,000,000 | 280,000 | - | - | - | - | - | 4,008 | (3,401) | - | 28,000,000 | 100 | 280,607 | 10.02 | 280,607 | Equity Method | None |
| Fu Rui Sheng Industrial Co., Ltd. | - | - | 5,858,000 | 167,476 | - | - | - | - | - | - | 17 | - | 5,858,000 | 100 | 167,493 | 28.49 | 167,493 | Equity Method | None |
| Global Magic Electronic Co., Ltd. | - | - | 1,250,000 | 150,000 | 1,250,000 | 135,968 | - | - | - | 3,449 | (17,481) | - | - | - | - | - | - | Equity Method | None |
| | | <u>2,219,573</u> | | <u>1,203,928</u> | | <u>345,968</u> | | | <u>(25,000)</u> | <u>339,935</u> | <u>339,515</u> | <u>20,303</u> | | | <u>3,752,286</u> | | <u>3,752,286</u> | | |
| | | <u>\$ 2,563,088</u> | | <u>\$ 1,434,035</u> | | <u>\$ 345,968</u> | | | <u>(\$ 82,970)</u> | <u>\$ 427,789</u> | <u>\$ 444,087</u> | <u>\$ 20,543</u> | | | <u>\$ 4,460,604</u> | | <u>\$ 4,460,604</u> | | |

Note 1: Except for NexConn Semiconductor Corporation and Global Magic, all calculations are based on the 2024 financial statements audited by accountants.

Note 2: The equity net value is primarily calculated based on the financial statements of the investee companies and the Company's shareholding ratio.

GUDENG PRECISION INDUSTRIAL CO., LTD.
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS

January 1 to December 31, 2024

Statement 6

Unit: In Thousands of New Taiwan Dollars

| Item | Buildings | Transportation equipment | Total |
|---------------------------------|------------------|-----------------------------|------------------|
| Cost | | | |
| Beginning balance | \$ 20,923 | \$ 10,831 | \$ 31,754 |
| Additions | - | 3,608 | 3,608 |
| Disposals | - | (5,157) | (5,157) |
| Ending balance | <u>\$ 20,923</u> | <u>\$ 9,282</u> | <u>\$ 30,205</u> |
| Accumulated depreciation | | | |
| Beginning balance | \$ 10,878 | \$ 7,024 | \$ 17,902 |
| Depreciation Expense | 4,275 | 2,511 | 6,786 |
| Disposals | - | (5,157) | (5,157) |
| Ending balance | <u>\$ 15,153</u> | <u>\$ 4,378</u> | <u>\$ 19,531</u> |
| Ending balance, net | <u>\$ 5,770</u> | <u>\$ 4,904</u> | <u>\$ 10,674</u> |

GUDENG PRECISION INDUSTRIAL CO., LTD.
STATEMENT OF ACCOUNTS PAYABLE

December 31, 2024

Statement 7

Unit: In Thousands of New Taiwan Dollars

| Customer Name | Amount |
|------------------------------------------------|-------------------|
| Related Party | |
| We Solutions Technology Co., Ltd. | \$ 24,644 |
| Dachuan Plastic Industrial (Kunshan) Co., Ltd. | 6,158 |
| Suting Precision Industry Co., Ltd. | 3,504 |
| Jin Hui Technology Co., Ltd. | 3,271 |
| JYR Aviation Components Co., Ltd. | 213 |
| Chongqing Huanmei Electronic Co., Ltd. | 74 |
| Gudeng Equipment Co., Ltd. | 18 |
| | <u>\$ 37,882</u> |
| Non-related party | |
| Knight Tech Material Co., Ltd. | \$ 62,124 |
| ProbeLeader Co., Ltd. | 37,138 |
| Formosa Advanced Technologies Co., Ltd. | 33,298 |
| Jiurun Precision Technology Co., Ltd. | 28,588 |
| SunnyTech Materials Co., Ltd. | 16,427 |
| NTI Technology Inc. | 16,168 |
| Others (Note) | 112,917 |
| | <u>\$ 306,660</u> |

Note: Each account balance does not exceed 5% of this account.

GUDENG PRECISION INDUSTRIAL CO., LTD.
STATEMENT OF LEASE LIABILITIES

December 31, 2024

Statement 8

Unit: In Thousands of New Taiwan Dollars

| <u>Item</u> | <u>Summary</u> | <u>Lease term</u> | <u>Discount rate</u> | <u>Ending Balance</u> | <u>Notes</u> |
|-----------------------------|--------------------|--------------------|----------------------|---------------------------|--------------|
| Transportation equipment | Company Vehicle | 2020/6/5~2029/7/18 | 1.46%~1.93% | \$ 4,870 | — |
| Buildings | Factory Building | 2021/6/1~2026/5/31 | 1.5% | <u>6,225</u> | — |
| | | | | <u>\$ 11,095</u> | |

GUDENG PRECISION INDUSTRIAL CO., LTD.
STATEMENT OF OPERATING REVENUE

2024

Statement 9

Unit: In Thousands of New Taiwan Dollars

| <u>Item</u> | <u>Amount</u> |
|----------------------------------------------------------|---------------------|
| Net sales revenue | |
| Photomask transmission solutions - carrier type | \$ 2,208,171 |
| Wafer transmission solutions - carrier type | 1,782,545 |
| Semiconductor manufacturing materials and consumables | 201,311 |
| Others | <u>253,129</u> |
| | <u>\$ 4,445,156</u> |

GUDENG PRECISION INDUSTRIAL CO., LTD.
STATEMENT OF OPERATING COSTS

2024

Statement 10

Unit: In Thousands of New Taiwan Dollars

| Item | Amount |
|----------------------------------------------------------------|---------------------|
| Beginning of year materials (including semi-finished products) | \$ 708,205 |
| Add: Materials purchased in current year | 1,145,475 |
| Inventory gain | 1,540 |
| Less: End of year materials (including semi-finished products) | (694,083) |
| Transfer to Various Expenses | (26,595) |
| Scrapped | (<u>22,906</u>) |
| Materials consumed during the period | 1,111,636 |
| Direct labor | 202,536 |
| Processing fee | 197,511 |
| Manufacturing Expenses | <u>576,061</u> |
| Manufacturing costs | 2,087,744 |
| Add: Work in process at beginning of year | 107,968 |
| Less: Work in process at end of year | (139,323) |
| Transfer to Various Expenses | (<u>9,510</u>) |
| Cost of finished goods | <u>2,046,879</u> |
| Finished goods at beginning of year | 400,614 |
| Add: Materials purchased in current year | 296,464 |
| Less: Finished goods at end of year | (269,829) |
| Transfer to Various Expenses | (14,926) |
| Inventory shortage | (4,432) |
| Scrapped | (<u>2,427</u>) |
| Cost of goods manufactured and sold | <u>2,452,343</u> |
| Merchandise inventory at beginning of year | 11,976 |
| Less: Merchandise at end of year | (<u>11,236</u>) |
| Cost of goods purchased and sold | <u>740</u> |
| Cost of Goods Sold | <u>2,453,083</u> |
| Repair costs | <u>4,031</u> |
| Other operating costs | |
| Add: Loss from inventory write-offs | 25,333 |
| Loss from inventory price decline | 22,711 |
| Inventory shortage | 2,892 |
| Less: Income from sale of scrap materials | (834) |
| Others | (<u>884</u>) |
| | <u>49,218</u> |
| Operating costs | <u>\$ 2,506,332</u> |

GUDENG PRECISION INDUSTRIAL CO., LTD.
STATEMENT OF OPERATING EXPENSES

2024

Statement 11

Unit: In Thousands of New Taiwan Dollars

| <u>Item</u> | <u>Selling And Marketing Expenses</u> | <u>General And Administrative Expenses</u> | <u>Research and Development Expenses</u> | <u>Total</u> |
|-------------------------------------|-----------------------------------------------|----------------------------------------------------|--------------------------------------------------|--------------------|
| Salary expenses (including pension) | \$ 67,443 | \$ 248,986 | \$ 126,058 | \$ 442,487 |
| Depreciation | 1,790 | 31,340 | 63,795 | 96,925 |
| Service fees | 204,391 | - | - | 204,391 |
| Labor fees | 4,747 | 42,668 | 310 | 47,725 |
| Other expenses (note) | <u>62,647</u> | <u>140,286</u> | <u>154,326</u> | <u>357,259</u> |
| | <u>\$ 341,018</u> | <u>\$ 463,280</u> | <u>\$ 344,489</u> | <u>\$1,148,787</u> |

Note: The amount of each item does not exceed five percent of the total amount of the respective account.

SUMMARY OF EMPLOYEE BENEFITS AND DEPRECIATION EXPENSES BY FUNCTION FOR THE CURRENT PERIOD

2024 and 2023

Statement 12

Unit: NT\$1,000 unless otherwise specified

| | 2024 | | | 2023 | | |
|-------------------------------------|---------------------------------|------------------------------------|-------------------|---------------------------------|------------------------------------|-------------------|
| | Attributable to Operating Costs | Attributable to Operating Expenses | Total | Attributable to Operating Costs | Attributable to Operating Expenses | Total |
| Employee benefit expenses (note) | | | | | | |
| Salary expenses | \$ 306,976 | \$ 387,963 | \$ 694,939 | \$ 294,651 | \$ 319,793 | \$ 614,444 |
| Labor and health insurance expenses | 25,265 | 25,127 | 50,392 | 24,317 | 29,108 | 53,425 |
| Pension expenses | 12,261 | 12,170 | 24,431 | 11,190 | 10,915 | 22,105 |
| Directors' remuneration | - | 42,354 | 42,354 | - | 33,474 | 33,474 |
| Other employee benefit expenses | 10,743 | 5,414 | 16,157 | 12,298 | 5,363 | 17,661 |
| | <u>\$ 355,245</u> | <u>\$ 473,028</u> | <u>\$ 828,273</u> | <u>\$ 342,456</u> | <u>\$ 398,653</u> | <u>\$ 741,109</u> |
| Depreciation Expense | <u>\$ 209,482</u> | <u>\$ 96,925</u> | <u>\$ 306,407</u> | <u>\$ 173,202</u> | <u>\$ 75,233</u> | <u>\$ 248,435</u> |
| Amortization Expense | <u>\$ 3,381</u> | <u>\$ 18,686</u> | <u>\$ 22,067</u> | <u>\$ 3,401</u> | <u>\$ 14,258</u> | <u>\$ 17,659</u> |

1. As of December 31, 2024 and 2023, the number of employees of the Company was 710 and 664, respectively, including 4 directors who are not concurrently employees.

2. Companies whose stocks are listed on the Taiwan Stock Exchange or traded on the Taipei Exchange should provide additional disclosure of the following information:

(1) The average employee benefit expense for the current year is NT\$1,113 thousand (["Total employee benefit expenses for the current year - Total directors' remuneration"] / ["Number of employees for the current year - Number of directors who are not concurrently employees"]).

The average employee benefit expense for the previous year is NT\$1,072 thousand (["Total employee benefit expenses for the previous year - Total directors' remuneration"] / ["Number of employees for the previous year - Number of directors who are not concurrently employees"]).

(2) The average employee salary expense for the current year is NT\$984 thousand (Total salary expenses for the current year / ["Number of employees for the current year - Number of directors who are not concurrently employees"]).

The average employee salary expense for the previous year is NT\$931 thousand (Total salary expenses for the previous year / ["Number of employees for the previous year - Number of directors who are not concurrently employees"]).

(3) The percentage change in average employee salary expense is 5.69% (["Average employee salary expense for the current year - Average employee salary expense for the previous year"] / Average employee salary expense for the previous year).

(4) The Company's remuneration policy is as follows:

I. The remuneration of directors of the Company is determined in accordance with the Articles of Incorporation, based on their level of participation in the Company's operations, their contribution value, the industry standards, and future risks, and is authorized to be resolved by the Board of Directors.

II. The standards for distributing directors' compensation in the Company comply with the Articles of Incorporation, and are submitted to the Board of Directors for resolution and reported to the shareholders' meeting.

III. The Company has established a Remuneration Committee to regularly review the reasonableness of remuneration policies, systems, standards, and structures, and to integrate business performance with employee performance. The compensation for Managers of the Company is determined by the Remuneration Committee based on the operating performance and goal achievement of the management team, taking into consideration the scope of responsibility of the position and its contribution to the Company's operational objectives, and is resolved by the Board of Directors and reported to the shareholders' meeting.