

English Translation of Financial Statements and a Report Originally Issued in Chinese

**Ticker: 4939**

**ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITORS' REPORT  
AS OF DECEMBER 31, 2024 AND 2023  
AND FOR THE YEARS THEN ENDED**

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

English Translation of Financial Statements and a Report Originally Issued in Chinese

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**MANAGEMENT REPRESENTATION LETTER**

The entities that are required to be included in the combined financial statements of Asia Electronic Material Co., Ltd. as of December 31, 2024 and for the year then ended under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard No. 10, “Consolidated Financial Statements.” In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Asia Electronic Material Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

ASIA ELECTRONIC MATERIAL CO., LTD.

By

Li, Jiang-Hui

Chairman

February 26, 2025

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**INDEPENDENT AUDITORS' REPORT**

To: the Board of Directors and Shareholder of  
Asia Electronic Material Co., Ltd.

**Opinion**

We have audited the accompanying consolidated balance sheets of Asia Electronic Material Co., Ltd. (the "Company") and its subsidiaries as of December 31, 2024 and 2023, the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including the summary of material accounting policies (together referred as "the consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2024 and 2023, and its consolidated financial performance and cash flows for the years then ended, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

**Basis for Opinion**

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

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Revenue recognition

Asia Electronic Material Co., Ltd. and its subsidiaries recognized NT\$1,541,704 thousand as revenue for the year ended December 31, 2024. Since the sales locations including Taiwan, China and other countries and the sales conditions for major customers are varied. It is necessary for the Company to judge and determine the performance obligations of a sales order or a contract and the timing of its satisfaction. There are significant risks in the timing and amount of revenue recognition. Therefore, we determined the matter to be a key audit matter. Our audit procedures include, but not limit to, assessing the appropriateness of the accounting policy for revenue recognition, evaluating and testing the effectiveness of relevant internal controls relating to the timing of revenue recognition, performing test of details on selected samples, including obtaining major sale orders or agreements to inspect the terms and conditions, checking the consistency of the fulfillment timing and performance obligation for revenue recognition, performing analytical review procedures on monthly sale and performing cutoff testing for a period before and after the balance sheet date, etc. We also considered the appropriateness of the related disclosures of sales. Please refer to Notes 4 and Note 6 in notes to the consolidated financial statements.

### Impairment of accounts receivable

As of December 31, 2024, Asia Electronic Material Co., Ltd. and its subsidiaries' gross accounts receivable and loss allowance amounted to NT\$837,984 thousand and NT\$(19,140) thousand, respectively. The net accounts receivable represented 29.49% of the consolidated assets and was significant to the Group's consolidated financial statements. The amount of loss allowance against accounts receivable is measured at an amount equal to lifetime expected credit losses. The measurement process needs to group the underlying accounts receivable appropriately and judge the application of related assumptions, including proper aging intervals and expected credit loss ratio for each aging interval, to be judged and analyzed. Due to the measurement of expected credit losses involves judgement, analysis and estimation and it has significant impact on carrying value of net accounts receivable, we therefore determined the matter to be a key audit matter. Our audit procedures therefore include, but not limit to, analyzing the appropriateness of the methodology for grouping of accounts receivable, confirming whether the customers with significantly different loss patterns (i.e. similar risk characteristics) are appropriately grouped (i.e. by historical experiences, etc.); testing the provision matrix adopted by the Group, including evaluation on reasonableness of determining aging intervals, and examining the correctness of original document for basic information; reviewing of accounts receivable subsequent collection for evaluating its recoverability, etc. We also considered the appropriateness of the related disclosures of accounts receivable. Please refer to Notes 5 and Note 6 in notes to the consolidated financial statements.

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

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

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

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
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 ability to continue as a going concern of the Company and its subsidiaries. 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2024 consolidated financial statements and are therefore the key audit matters. 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.

## Other

We have audited and expressed an unqualified opinion on the parent-company-only financial statements of the Company as of and for the years then ended December 31, 2024 and 2023.



/s/Chen, Kuo-Shuai

/s/Lin, Cheng-Wei

Ernst & Young  
February 26, 2025  
Taipei, Taiwan,  
Republic of China

Notice to Readers

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

*Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or the Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.*

English Translation of Consolidated Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

As of December 31, 2024 and 2023

(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets			2024.12.31		2023.12.31	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$602,629	21.70	\$448,996	16.98
1150	Notes receivable, net	4, 6(2)	219,848	7.92	167,014	6.32
1170	Accounts receivable, net	4, 6(3)	598,996	21.57	659,738	24.95
1200	Other receivables		24,792	0.89	27,071	1.02
130x	Inventories	4, 6(4)	163,571	5.89	206,691	7.82
1410	Prepayments		30,095	1.08	19,198	0.73
1470	Other current assets		2,036	0.07	1,907	0.07
11xx	Total current assets		1,641,967	59.12	1,530,615	57.89
	Non-current assets					
1517	Financial assets at fair value through OCI	4, 6(5)	144,957	5.22	145,727	5.51
1600	Property, plant and equipment, net	4, 6(6)	812,102	29.24	795,144	30.08
1755	Right-of-use assets	4, 6(16)	111,067	4.00	110,405	4.18
1780	Intangible assets	4, 6(7)	8,876	0.32	10,044	0.38
1840	Deferred income tax assets	4, 6(20)	22,939	0.83	31,524	1.19
1900	Other non-current assets	6(8)	35,247	1.27	20,320	0.77
15xx	Total non-current assets		1,135,188	40.88	1,113,164	42.11
1xxx	Total Assets		\$2,777,155	100.00	\$2,643,779	100.00

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES  
Consolidated Balance Sheets (Continued)  
As of December 31, 2024 and 2023  
(Amounts Expressed In Thousands of New Taiwan Dollars)

Liabilities and Equity			2024.12.31		2023.12.31	
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(9)	\$710,137	25.57	\$533,067	20.16
2130	Contract liabilities	4, 6(14)	36	-	-	-
2150	Notes payable		4,421	0.16	27,153	1.03
2170	Accounts payable		91,115	3.28	118,929	4.50
2200	Other payables		43,189	1.56	58,999	2.23
2230	Current income tax liabilities	4, 6(20)	3,422	0.12	12,279	0.47
2280	Lease liabilities	4, 6(16)	3,432	0.12	3,143	0.12
2300	Other current liabilities		271	0.01	287	0.01
2322	Current portion of long-term loans	6(11)	100,000	3.60	-	-
21xx	Total current liabilities		956,023	34.42	753,857	28.52
	Non-current liabilities					
2540	Long-term loans	6(11)	-	-	100,000	3.78
2570	Deferred income tax liabilities	4, 6(20)	219,495	7.90	212,881	8.05
2580	Lease liabilities	4, 6(16)	187	0.01	2,829	0.11
2630	Long-term deferred revenue	4, 6(10)	52,814	1.90	56,037	2.12
25xx	Total non-current liabilities		272,496	9.81	371,747	14.06
2xxx	Total liabilities		1,228,519	44.23	1,125,604	42.58
31xx	Equity attributable to shareholders of the parent					
3100	Capital					
3110	Common stock	6(13)	982,009	35.36	982,009	37.14
3200	Capital surplus	6(13)	192,899	6.95	192,899	7.30
3300	Retained earnings	6(13)				
3310	Legal reserve		72,635	2.61	68,474	2.59
3320	Special reserve		41,956	1.51	41,956	1.59
3350	Unappropriated earnings		194,572	7.01	228,749	8.65
	Total Retained earnings		309,163	11.13	339,179	12.83
3400	Other components of equity		64,565	2.33	4,088	0.15
3xxx	Total equity		1,548,636	55.77	1,518,175	57.42
	Total liabilities and equity		\$2,777,155	100.00	\$2,643,779	100.00

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
 ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES  
 Consolidated Statements of Comprehensive Income  
 For the Years Ended December 31, 2024 and 2023  
 (Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Code	Items	Notes	2024		2023	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(14)	\$1,541,704	100.00	\$1,548,510	100.00
5000	Operating costs	6(4)	(1,215,999)	(78.87)	(1,209,517)	(78.11)
5900	Gross profit		325,705	21.13	338,993	21.89
6000	Operating expenses	6(17)				
6100	Sales and marketing		(85,908)	(5.57)	(84,075)	(5.43)
6200	General and administrative		(104,348)	(6.77)	(95,271)	(6.15)
6300	Research and development		(87,451)	(5.67)	(77,426)	(5.00)
6450	Expected credit gains (losses)	4, 6(15)	(12,886)	(0.84)	(597)	(0.04)
	Total operating expenses		(290,593)	(18.85)	(257,369)	(16.62)
6900	Operating income		35,112	2.28	81,624	5.27
7000	Non-operating incomes and expenses	4, 6(18)				
7010	Other incomes		18,188	1.18	12,132	0.78
7020	Other gains or losses		4,013	0.26	(14,754)	(0.95)
7050	Finance costs		(25,708)	(1.67)	(29,097)	(1.88)
	Total non-operating incomes and expenses		(3,507)	(0.23)	(31,719)	(2.05)
7900	Profit (loss) from continuing operations before tax		31,605	2.05	49,905	3.22
7950	Income tax expense	4, 6(20)	(12,521)	(0.81)	(13,583)	(0.87)
8200	Net income		19,084	1.24	36,322	2.35
8300	Other comprehensive income (loss)	6(19)				
8310	Item that not be reclassified to profit or loss					
8316	Unrealized gains (losses) on equity instrument investment at fair value through other comprehensive income		(10,033)	(0.65)	6,988	0.45
8349	Income tax related to non-reclassified items					
8360	Items that may be reclassified subsequently to profit or loss		1,326	0.08	(396)	(0.03)
8361	Exchange differences on translation of foreign operations					
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss		86,481	5.61	(26,654)	(1.72)
			(17,297)	(1.12)	5,331	0.34
	Total other comprehensive income, net of tax		60,477	3.92	(14,731)	(0.96)
8500	Total comprehensive income		\$79,561	5.16	\$21,591	1.39
9750	Earnings per share-basic (in NTD)	6(21)	\$0.19		\$0.37	
9850	Earnings per share-diluted (in NTD)		\$0.19		\$0.37	

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the Years Ended December 31, 2024 and 2023

(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Items	Equity Attributable to Shareholders of the Parent							
		Common Stock	Capital Surplus	Retained Earnings			Others		Total Equity
				Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences Arising on Translation of Foreign Operations	Unrealised Gains or Losses on Financial Assets at Fair Value Through Other Comprehensive Income	
3111	3200	3310	3320	3350	3410	3420	3XXX		
A1	Balance as of January 1, 2023	\$982,009	\$192,899	\$65,032	\$41,956	\$237,713	\$(49,942)	\$74,053	\$1,543,720
	Appropriation and distribution of 2022 earnings								
B1	Legal reserve			3,442		(3,442)			-
B5	Cash dividends-common shares					(47,136)			(47,136)
D1	Net income for 2023					36,322			36,322
D3	Other comprehensive income (loss), for 2023						(21,323)	6,592	(14,731)
D5	Total comprehensive income (loss)	-	-	-	-	36,322	(21,323)	6,592	21,591
Q1	Disposal of investments in equity instruments designated at fair value through other comprehensive income					5,292		(5,292)	-
Z1	Balance as of December 31, 2023	982,009	192,899	68,474	41,956	228,749	(71,265)	\$75,353	1,518,175
	Appropriation and distribution of 2023 earnings								
B1	Legal reserve			4,161		(4,161)			-
B5	Cash dividends-common shares					(49,100)			(49,100)
D1	Net income for 2024					19,084			19,084
D3	Other comprehensive income (loss), for 2024						69,184	(8,707)	60,477
D5	Total comprehensive income (loss)	-	-	-	-	19,084	69,184	(8,707)	79,561
Z1	Balance as of December 31, 2024	\$982,009	\$192,899	\$72,635	\$41,956	\$194,572	\$(2,081)	\$66,646	\$1,548,636

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2024 and 2023

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2024	2023	Code	Items	2024	2023
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A00010	Profit from continuing operations before tax	\$31,605	\$49,905	B00010	Acquisition of financial assets measured at fair value through OCI	(3,567)	-
A20000	Adjustments:			B00020	Disposal of financial assets measured at fair value through OCI	-	13,070
A20010	Profit or loss not effecting cash flows:			B02700	Acquisition of property, plant and equipment	(50,867)	(56,610)
A20100	Depreciation (including right-of-use assets)	67,154	63,170	B02800	Proceeds from disposal of property, plant and equipment	-	1,087
A20200	Amortization	1,649	1,627	B03800	Decrease (increase) in refundable deposits	(36)	14
A20300	Expected credit losses (gain on recovery)	12,886	597	BBBB	Net cash provided by (used in) investing activities	(54,470)	(42,439)
A20900	Interest expense	(25,708)	29,097				
A21200	Interest income	(2,753)	(3,315)				
A21300	Dividend income	(389)	(885)	CCCC	Cash flows from financing activities:		
A22500	Loss on disposal of property, plant and equipment	506	323	C00100	Increase in (repayment of) short-term loans	177,070	(215,258)
A29900	Gain on government grants	(6,005)	(5,244)	C01600	Increase in long-term loans	-	100,000
A29900	Gain on lease modification	-	(17)	C01700	Repayment of long-term loans	-	(100,000)
A30000	Changes in operating assets and liabilities:			C04020	Cash payments for the principal portion of the lease liabilities	(3,813)	(3,903)
A31130	Decrease (increase) in notes receivable	(52,834)	(38,113)	C04500	Cash dividends	(49,100)	(47,136)
A31150	Decrease (increase) in accounts receivable	47,276	(93,495)	CCCC	Net cash provided by (used in) financing activities	124,157	(266,297)
A31180	Decrease (increase) in other receivables	4,215	1,606				
A31200	Decrease (increase) in inventories	43,120	36,961				
A31220	Decrease (increase) in prepayments	(10,897)	(3,157)				
A31240	Decrease (increase) in other current assets	(129)	-	DDDD	Effect of exchange rate changes on cash and cash equivalents	34,480	(8,694)
A32125	Increase (decrease) in contract liabilities	36	(8)	EEEE	Net increase (decrease) in cash and cash equivalents	153,633	(287,050)
A32130	Increase (decrease) in notes payable	(22,732)	22,767	E00100	Cash and cash equivalents at beginning of period	448,996	736,046
A32150	Increase (decrease) in accounts payable	(27,814)	(4,003)	E00200	Cash and cash equivalents at end of period	\$602,629	\$448,996
A32180	Increase (decrease) in other payables	(15,810)	10,567				
A32230	Increase (decrease) in other current liabilities	(16)	(31)				
A33000	Cash generated from (used in) operations	43,360	68,352				
A33100	Interest received	2,753	3,315				
A33200	Dividend received	389	885				
A33300	Interest paid	25,859	(28,890)				
A33500	Income taxes paid	(22,895)	(13,282)				
AAAA	Net cash provided by (used in) operating activities	49,466	30,380				

(The accompanying notes are an integral part of the consolidated financial statements.)

1. HISTORY AND ORGANIZATION

Asia Electronic Material Co., Ltd. (“the Company”) was established on July 7, 2003. Its main business activities include the manufacture of various electronic products and the sale of electronic materials. The Company’s stocks have been governmentally approved on June 28, 2011 to be listed and traded in Taipei Exchange starting September 19, 2011. The registered business premise and main operation address is at 4th Floor, No. 18, Lane 676, Jhonghua Rd. Jhubei City, HsinChu County 302, Taiwan (R.O.C).

2. DATE AND PROCEDURE OF AUTHORIZATION OF FINANCIAL STATEMENTS FOR ISSUE

The consolidated financial statements of the Company and its subsidiaries (“the Group”) were authorized to be issued in accordance with a resolution of the Board of Directors’ meeting held on February 26, 2025.

3. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2024. The adoption of these new standards and amendments had no material impact on the Group.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which have been endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Lack of Exchangeability – Amendments to IAS 21	1 January 2025

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(a) Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The abovementioned amendments are applicable for annual periods beginning on or after 1 January 2025 and have no material impact on the Group.

- (3) Standards or interpretations issued, revised or amended, by IASB which have not been endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	1 January 2023
c	IFRS 18 “Presentation and Disclosure in Financial Statements”	1 January 2027
d	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	1 January 2027
e	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
f	Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
g	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026



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- (a) IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

- (b) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

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IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

(c) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

(1) Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities’ performance and make it easier to compare entities.

(2) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(3) Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(d) Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

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

The amendments include:

- (1) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- (2) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- (3) Clarify the treatment of non-recourse assets and contractually linked instruments.
- (4) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

(f) Annual Improvements to IFRS Accounting Standards – Volume 11

The amendments include

(1) Amendments to IFRS 1

The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.

(2) Amendments to IFRS 7

The amendments update an obsolete cross-reference relating to gain or loss on derecognition.

(3) Amendments to Guidance on implementing IFRS 7

The amendments improve some of the wordings in the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures.

(4) Amendments to IFRS 9

The amendments add a cross-reference to resolve potential confusion for a lessee applying the derecognition requirements and clarify the term “transaction price”.

(5) Amendments to IFRS 10

The amendments remove the inconsistency between paragraphs B73 and B74 of IFRS 10.

(6) Amendments to IAS 7

The amendments remove a reference to “cost method” in paragraph 37 of IAS 7.

(g) Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (1) Clarify the application of the ‘own-use’ requirements.
- (2) Permit hedge accounting if these contracts are used as hedging instruments.
- (3) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under (3), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### (1) Statement of compliance

The consolidated financial statements of the Group for the years ended December 31, 2024 and 2023 were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and International Financial Reporting Standards, International Accounting Standards, and Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by the FSC.

##### (2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are presented in thousands of New Taiwan Dollars ("NT\$") unless otherwise specified.

(3) Basis of consolidation

Preparation principle of consolidated financial statement

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- (a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (b) Exposure, or rights, to variable returns from its involvement with the investee, and
- (c) The ability to use its power over the investee to affect its returns

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) The contractual arrangement with the other vote holders of the investee
- (b) Rights arising from other contractual arrangements
- (c) The Company's voting rights and potential voting rights

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

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Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Company loses control of a subsidiary, it:

- (a) Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- (b) Derecognizes the carrying amount of any non-controlling interest;
- (c) Recognizes the fair value of the consideration received;
- (d) Recognizes the fair value of any investment retained;
- (e) Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss, or transfers directly to retained earnings; and
- (f) Recognizes differences in profit or loss.

The consolidated entities are listed as follows:

Investor	Subsidiary	Main business	Percentage of Ownership (%), As of December 31,	
			2024	2023
The Company	BESTTRADE CO., LTD.	Electronic materials trading and business which relates to import and export	100%	100%
The Company	ASIA ELECTRONIC MATERIAL HOLDING (SAMOA) CO., LTD.	Investing activities	100%	100%
ASIA ELECTRONIC MATERIAL HOLDING (SAMOA) CO., LTD.	AMMON TEC. INVESTMENT CORP.	Investing activities	100%	100%

ASIA ELECTRONIC MATERIAL CO., LTD.

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Investor	Subsidiary	Main business	Percentage of Ownership (%), As of December 31,	
			2024	2023
AMMON TEC. INVESTMENT CORP.	KUNSHAN APLUS TEC. CORPORATION	Manufacturing and selling electronic materials	100%	100%
AMMON TEC. INVESTMENT CORP.	DONGTAI APLUS TECHNOLOGY CO., LTD.	Manufacturing and selling electronic materials	100% (Note 1)	100% (Note 1)

Note 1 : In order to expand the market in China and develop the local supply chain, the company's Board of Directors' meetings resolved to invest in a new electronic functional material project in the eastern area of Jiangsu Dongtai Economic Development Zone on April 27, 2018. The company invested in the AMMON TEC. INVESTMENT CORP., a subsidiary of ASIA ELECTRONIC MATERIAL HOLDING (SAMOA) CO., LTD., remitted the investment amount of RMB30,000 thousand, RMB20,000 thousand and RMB20,000 thousand in 2018, 2019, 2021, respectively through the surplus distribution and reinvestment of KUNSHAN APLUS TEC. CORPORATION for a total of RMB70,000 thousand, and acquired 100% equity of DONGTAI APLUS TECHNOLOGY CO., LTD. Waited for the partnership formed by employees to remit its investment, AMMON TEC. INVESTMENT CORP. will hold 85% of the equity of DONGTAI APLUS TECHNOLOGY CO., LTD, and a partnership company composed of employees will hold 15%. As of the financial report date, this investment project is still in progress.

(4) Foreign currency transactions

The Group's consolidated financial statements are presented in New Taiwan Dollars (NTD), which is the Parent company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- (a) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- (b) Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.
- (c) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

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

(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NTD at the closing rate of exchange prevailing at the balance sheet date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income under exchange differences on translation of foreign operations. On disposal of the foreign operation, cumulative amount of the exchange differences recognized in other comprehensive income under separate component of equity is reclassified from equity to profit or loss when recognizing the disposal gain/loss.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6) Current and non-current distinction

An asset is classified as current when:

- (a) The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
- (b) The Group holds the asset primarily for the purpose of trading.
- (c) The Group expects to realize the asset within twelve months after the reporting period.
- (d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- (a) The Group expects to settle the liability in its normal operating cycle.
- (b) The Group holds the liability primarily for the purpose of trading.
- (c) The liability is due to be settled within twelve months after the reporting period.
- (d) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(7) Cash and cash equivalents

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

(8) Financial instruments

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

The Group determines the classification of its financial assets at initial recognition. In accordance with IFRS 9 and the Regulations, financial assets of the Group are classified as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, financial assets measured at amortized cost and notes, accounts and other receivables. All financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable costs. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement.

(A) Financial assets: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

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The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

- (a) The Group's business model for managing the financial assets and
- (b) The contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

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

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- (a) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

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- (b) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

- (a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- (b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- (c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
  - (i) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

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- (ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

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

(B) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the statement of financial position.

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

- (a) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (b) The time value of money; and
- (c) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follow:

- (a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance for a financial asset at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that condition is no longer met.
- (b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- (c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

(C) Derecognition of financial assets

A financial asset is derecognized when:

- (a) The rights to receive cash flows from the asset have expired
- (b) The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred
- (c) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

(D) Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial liabilities

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

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

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



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Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(E) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Fair value measurement

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

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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

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

(10) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials – At actual purchase cost, using weighted average method

Finished goods and work in progress –Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(11) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

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

Buildings	5~50 years
Machinery and equipment	3~12 years
Transportation equipment	5~ 7 years
Office equipment	3~10 years
Leasehold improvements	4~10 years
Other equipment	3~16 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The property, plant and equipment's residual values, useful lives and methods of depreciation are reviewed at each financial year. If the expected values differ from the estimates, the differences are recorded as a change in accounting estimate.

(12) Leases

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

- A. the right to obtain substantially all of the economic benefits from use of the identified asset;
- and
- B. the right to direct the use of the identified asset.

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For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- C. amounts expected to be payable by the lessee under residual value guarantees;
- D. the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

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

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- A. the amount of the initial measurement of the lease liability;
- B. any lease payments made at or before the commencement date, less any lease incentives received;
- C. any initial direct costs incurred by the lessee; and
- D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

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

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statement of comprehensive income.

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

(13) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

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

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

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

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

	<u>Cost of Computer software</u>	<u>Cost of Patents</u>
Useful lives	5 years	6 years
Amortization method used	Straight-line method during the contract term	Straight-line method during the contract term
Internally generated or acquired externally	Acquired externally	Acquired externally

(14) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the recoverable amount of the assets or CGU. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

Impairment loss or reversals of continuing operations are recognized in profit or loss.

(15) Revenue recognition

The Group's revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follow:

Sale of goods

Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Group is FPC (Flexible Printed Circuit) and revenue is recognized based on the consideration stated in the contract. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and when the uncertainty associated with the variable consideration is subsequently resolved. During the period specified in the contract, refund liability is recognized for the products expected to be returned.

The credit period of the Group's sale of goods is from 60 to 180 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Group has transferred the goods to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Group measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

(16) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.



(17) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

(18) Post-employment benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company. Therefore, fund assets are not included in the Group's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

(19) Income taxes

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

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- (a) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- (b) In respect of taxable temporary differences associated with investments in subsidiaries, and associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- (a) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- (b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized according.

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

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

(1) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that would have a significant risk for a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year are discussed below.

(a) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

(b) Accounts receivable—estimation of impairment loss

The Group estimates the impairment loss of accounts receivable at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

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(c) Inventory

Estimates of net realisable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

(d) Income tax

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

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies. Please refer to Note 6 for more details about unrecognized deferred tax assets as at December 31, 2024.

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6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	As of December 31,	
	2024	2023
Cash and petty cash	\$56	\$439
Checkings and savings	602,573	448,557
Total	<u>\$602,629</u>	<u>\$448,996</u>

(2) Notes receivable, net

	As of December 31,	
	2024	2023
Notes receivable - from operation	\$219,848	\$167,014
Less: loss allowance	-	-
Total	<u>\$219,848</u>	<u>\$167,014</u>

Notes receivable were not pledged.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6 (15) for more details on loss allowance and Note 12 for details on credit risk.

(3) Accounts receivable, net

A. Accounts receivable, net

	As of December 31,	
	2024	2023
Accounts receivable, gross	\$618,136	\$665,412
Less: loss allowance	(19,140)	(5,674)
Total accounts receivable, net	<u>\$598,996</u>	<u>\$659,738</u>

B. Accounts receivable were not pledged.

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C. Accounts receivable are generally on 60-180 day terms. The total carrying amount for the years ended December 31, 2024 and 2023, are NT\$618,136 thousand and NT\$665,412 thousand, respectively. Please refer to Note 6 (15) for more details on loss allowance of accounts receivable for the years ended December 31, 2024 and 2023. Please refer to Note 12 for more details on credit risk management.

D. The Group entered into factoring agreements with banks. Accounts receivable from selected customers are transferred to banks without recourse. In addition to transferring the contractual rights of receivable cash flow, the Group does not need to bear the credit risk of unrecoverable receivables (except for commercial disputes) according to the contract, and meets the conditions for the derecognition of financial assets. As of December 31, 2024 and 2023, details of the agreed credit limits and accounts receivable transferred were as follows:

In Thousands of USD					
Financial Institution	Accounts receivable derecognized	Advance received	Interest rate	Collateral	Credit limit
<u>12/31/2024</u>					
			1M TAIEX 03+0.6% divide by	Promissory Note	
Taipei Fubon Bank	<u>USD 128</u>	<u>USD 109</u>	0.946	<u>USD 90</u>	<u>USD 200</u>
Shin Kong Bank	<u>USD 606</u>	<u>USD -</u>	Negotiation	<u>None</u>	<u>USD 2,000</u>
<u>12/31/2023</u>					
			1M TAIEX 03+0.6% divide by	Promissory Note	
Taipei Fubon Bank	<u>USD 180</u>	<u>USD 153</u>	0.946	<u>USD 90</u>	<u>USD 200</u>
Shin Kong Bank	<u>USD 750</u>	<u>USD -</u>	Negotiation	<u>None</u>	<u>USD 2,700</u>

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(4) Inventory

A. Details of inventory:

	As of December 31,	
	2024	2023
Raw material	\$63,579	\$96,866
Work in process	5,120	9,719
Finished goods	94,872	100,106
Total	<u>\$163,571</u>	<u>\$206,691</u>

B. For the years ended December 31, 2024 and 2023, the Group recognized NT\$1,215,999 thousand and NT\$1,209,517 thousand under the caption of costs of sale, respectively. The following items were also included in cost.

Item	For the year ended December 31,	
	2024	2023
Loss (gain) from inventory market decline	<u>\$6,970</u>	<u>\$(15,667)</u>

For the year ended December 31, 2023, the Group recognized gains on recovery of inventory market decline because some of the inventories previously provided with market loss or obsolescence were sold.

C. The inventories were not pledged.



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(5) Financial assets at fair value through other comprehensive income

	As of December 31,	
	2024	2023
(1)Equity instrument investments		
measured at fair value through other		
comprehensive income:		
Unlisted companies stocks	\$43,931	\$41,758
Listed companies stocks	10,506	6,939
Subtotal	54,437	48,697
Valuation adjustment	90,520	97,030
Total	\$144,957	\$145,727
Non-current	\$144,957	\$145,727

(2)The Group classified part of financial assests as financial assets at fair value through other comprehensive income. No financial asset at fair value through other comprehensive income was pledged as collateral.

(3)The Group's dividend income related to equity instrument measured at fair value through other comprehensive income amount to NT\$389 thousand and NT\$885 thousand for the years ended December 31, 2024 and 2023, respectively.

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(6) Property, plant and equipment

(1) Owner occupied property, plant and equipment

					Lease assets		Construction in	
		Machinery and	Transportain	Office	and leasehold	Other	progress and	
	Buildings	equipment	equipment	equipment	improvements	equipment	awaiting	Total
							inspection	
<u>Cost:</u>								
As of 1/1/2024	\$131,254	\$881,077	\$7,257	\$14,803	\$5,662	\$74,640	\$345,937	\$1,460,630
Addition	7,641	8,758	1,458	784	-	7,565	11,065	37,271
Disposals	-	(4,496)	-	(284)	-	(83)	-	(4,863)
Reclassification	269,876	22,832	-	-	-	15,956	(309,056)	(392)
Effect of EX rate	13,031	46,512	410	570	-	3,781	11,887	76,191
As of 12/31/2024	<u>\$421,802</u>	<u>\$954,683</u>	<u>\$9,125</u>	<u>\$15,873</u>	<u>\$5,662</u>	<u>\$101,859</u>	<u>\$59,833</u>	<u>\$1,568,837</u>
As of 1/1/2023	\$131,441	\$883,489	\$6,983	\$15,248	\$6,498	\$72,938	\$335,808	\$1,452,405
Addition	2,056	8,938	2,157	654	252	1,184	24,763	40,004
Disposals	-	(1,801)	(1,760)	(1,415)	(1,088)	-	(965)	(7,029)
Reclassification	-	5,534	-	502	-	1,587	(7,623)	-
Effect of EX rate	(2,243)	(15,083)	(123)	(186)	-	(1,069)	(6,046)	(24,750)
As of 12/31/2023	<u>\$131,254</u>	<u>\$881,077</u>	<u>\$7,257</u>	<u>\$14,803</u>	<u>\$5,662</u>	<u>\$74,640</u>	<u>\$345,937</u>	<u>\$1,460,630</u>
<u>Depreciation and impairment:</u>								
As of 1/1/2024	\$36,840	\$572,141	\$4,137	\$11,200	\$5,453	\$35,715	\$-	\$665,486
Depreciation	8,636	43,507	891	946	50	7,094	-	61,124
Disposals	-	(4,019)	-	(263)	-	(75)	-	(4,357)
Reclassification	(392)	-	-	-	-	-	-	(392)
Effect of EX rate	2,101	30,703	235	425	-	1,410	-	34,874
As of 12/31/2024	<u>\$47,185</u>	<u>\$642,332</u>	<u>\$5,263</u>	<u>\$12,308</u>	<u>\$5,503</u>	<u>\$44,144</u>	<u>\$-</u>	<u>\$756,735</u>

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					Lease assets		Construction in	
		Machinery and	Transportain	Office	and leasehold	Other	progress and	
	Buildings	equipment	equipment	equipment	improvements	equipment	equipment	Total
							awaiting	
							inspection	
As of 1/1/2023	\$33,426	\$538,358	\$5,016	\$11,589	\$6,498	\$30,151	\$-	\$625,038
Depreciation	4,035	45,096	778	1,085	43	5,964	-	57,001
Disposals	-	(1,608)	(1,585)	(1,338)	(1,088)	-	-	(5,619)
Effect of EX rate	(621)	(9,705)	(72)	(136)	-	(400)	-	(10,934)
As of 12/31/2023	\$36,840	\$572,141	\$4,137	\$11,200	\$5,453	\$35,715	\$-	\$665,486

Net carrying amount:

As of 12/31/2024	\$374,617	\$312,351	\$3,862	\$3,565	\$159	\$57,715	\$59,833	\$812,102
As of 12/31/2023	\$94,414	\$308,936	\$3,120	\$3,603	\$209	\$38,925	\$345,937	\$795,144

Property, plant and equipment were not pledged.

(7) Intangible assets

	Computer	Technology	
	software	licensing	Total
<u>Cost:</u>			
As of January 1, 2024	\$15,054	\$1,000	\$16,054
Additions – acquired separately	-	-	-
Derecognized upon retirement	-	-	-
Exchange differences	783	-	783
As of December 31, 2024	\$15,837	\$1,000	\$16,837
As of January 1, 2023	\$15,311	\$1,000	\$16,311
Additions – acquired separately	-	-	-
Derecognized upon retirement	-	-	-
Exchange differences	(257)	-	(257)
As of December 31, 2023	\$15,054	\$1,000	\$16,054

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	Computer software	Technology licensing	Total
<u>Amortization and impairment:</u>			
As of January 1, 2024	\$5,143	\$867	\$6,010
Amortization	1,549	100	1,649
Derecognized upon retirement	-	-	-
Exchange differences	302	-	302
As of December 31, 2024	<u>\$6,994</u>	<u>\$967</u>	<u>\$7,961</u>
As of January 1, 2023	\$3,700	\$767	\$4,467
Amortization	1,527	100	1,627
Derecognized upon retirement	-	-	-
Exchange differences	(84)	-	(84)
As of December 31, 2023	<u>\$5,143</u>	<u>\$867</u>	<u>\$6,010</u>
Carrying amount, net as at:			
As of December 31, 2024	<u>\$8,843</u>	<u>\$33</u>	<u>\$8,876</u>
As of December 31, 2023	<u>\$9,911</u>	<u>\$133</u>	<u>\$10,044</u>

Amounts of amortization recognized for intangible assets are as follows:

	For the year ended December 31,	
	2024	2023
General and administrative	\$1,549	\$1,527
Research and development	100	100
Total	<u>\$1,649</u>	<u>\$1,627</u>

(8) Other non-current assets

	As of December 31,	
	2024	2023
Prepayment for equipment	\$34,258	\$19,367
Refundable deposits	989	953
Total	<u>\$35,247</u>	<u>\$20,320</u>

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(9) Short-term loans

	As of December 31,	
	2024	2023
Unsecured bank loans	\$710,137	\$533,067
Interest interval (%)	2.22%~5.40%	1.98%~6.50%

As of December 31, 2024 and 2023, the line of unused short-term loans credit for the Group amounted to NT\$1,286,989 thousand and NT\$1,415,054 thousand, respectively.

(10) Deferred revenue

Government grants

	For the year ended December 31,	
	2024	2023
Beginning balance	\$56,037	\$61,609
Received during the period	-	-
Released to the statement of comprehensive income	(6,005)	(5,244)
Exchange differences	2,782	(328)
Ending Balance	\$52,814	\$56,037
	As of December 31,	
	2024	2023
Non-current deferred revenue - government grants related to assets	\$52,814	\$56,037

Government grants have been received for the purchase of certain items of property, plant and equipment. The grants is related to assets, which is recognized as deferred income and recognized as income in installments over the expected useful life of the relevant assets.

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(11) Long-term loans

Details of long-term loans were as follows:

Lenders	As of 12/31/2024	Interest Rate(%)	Repayment
Agricultural Bank of Taiwan- Mid-term credit loan	\$100,000	Index rate plus 0.63%	Payment of interest monthly, and repayment of principal when due.
Less: current portion	(100,000)		
Total	\$-		

Lenders	As of 12/31/2023	Interest Rate(%)	Repayment
Agricultural Bank of Taiwan- Mid-term credit loan	\$100,000	Index rate plus 0.63%	Payment of interest monthly, and repayment of principal when due.
Less: current portion	-		
Total	\$100,000		

(12) Post-employment benefits plans

Defined contribution plan

The Company adopted a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company has made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Expenses under the defined contribution plan for the years ended December 31, 2024 and 2023 are NT\$1,072 thousand and NT\$1,038 thousand, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(13) Equities

(a) Common stock

As of December 31, 2024 and 2023, the Company's authorized capital were both NT\$1,500,000 thousand. The Company's paid-in capital was NT\$982,009 thousand, each share at par value of NT\$10 divided into 98,200,868 shares.

(b) Capital surplus

	As of December 31,	
	2024	2023
Additional paid-in capital	\$133,912	\$133,912
Employee stock option	32,665	32,665
Share options-convertible bonds	13,843	13,843
Others	12,479	12,479
Total	<u>\$192,899</u>	<u>\$192,899</u>

According to the Taiwan Company Act, the capital reserve shall not be used except for making good the deficit of the Company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company up to a certain percentage of paid-in capital. The said capital surplus could be distributed in cash to its shareholders in proportion to the number of shares being held by each of them.

(c) Appropriation of earnings and dividend policies

a. Legal reserve

According to the Company Act, legal reserve shall be set aside until such amount equal total authorized capital. Legal reserve can be used to offset deficits. If the Company does not incur any loss, the portion of legal reserve exceeding 25% of the paid-in capital may be distributed to shareholders by issuing new shares or by cash in proportion to the number of shares held by each shareholder.

b. Special reserve

When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to “other net deductions from shareholders” equity for the current fiscal year, provided that if the Company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders’ equity. For any subsequent reversal of other net deductions from shareholders’ equity, the amount reversed may be distributed from the special reserve.

The FSC issued Order No. Financial-Supervisory-Securities-Corporate-1090150022 on March 31, 2021, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders’ equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the company can reverse the special reserve by proportion and transfer to retained earnings.

As of December 31, 2024 and 2023, special reserve set aside for the first-time adoption of T-IFRS reduced to NT\$41,956 thousand accordingly.



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c. Earning distribution

(1) Earning distribution

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- a. Payment of all taxes and dues;
- b. Offset prior years' operation losses;
- c. Set aside 10% of the remaining amount as legal reserve. There is no requirement to further make such reserve when legal reserve reaches the capital amount.
- d. Set aside or reverse special reserve in accordance with law and regulations; and
- e. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

(2) Dividend policies

For long-term finance planning requirements and to meet the shareholders' demand for cash, the Company's dividend policy aims for steadiness and balancing. Shareholder extra dividend each year cannot be less than 10% and more than 90% of distributed surplus earnings and cash dividends distributed each year cannot be less than 10% of the gross amount of dividends.

- (d) The appropriations of earnings for the Year 2024 and 2023 were approved through the Board of Directors' meetings and shareholders' meetings held on February 26, 2025 and May 24, 2024, respectively. The details of the distributions are as follows:

	<u>Appropriation of earnings</u>		<u>Dividend per share (in NT\$)</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Legal reserve	\$1,908	\$4,161		
Cash dividend	49,100	49,100	\$0.50	\$0.50
Total	<u>\$51,008</u>	<u>\$53,261</u>		

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Please refer to Note 6 (17) for details on employees' compensation and remuneration to directors.

(14) Operating revenue

	For the year ended December 31,	
	2024	2023
Revenue from contracts with customers		
Sale of goods	\$1,541,704	\$1,548,510

Analysis of revenue from contracts with customers during the years ended December 31, 2024 and 2023 are as follows:

(1) Disaggregation of revenue

	For the year ended December 31,	
	2024	2023
Sale of FPC	\$1,541,704	\$1,548,510
The timing for revenue recognition:		
At a point in time	\$1,541,704	\$1,548,510

(2) Contract balances

A.Contract liabilities – current

	As of		
	2024.12.31	2023.12.31	2023.01.01
Sales of goods	\$36	\$-	\$8

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The significant changes in the Company's balances of contract liabilities for ended December 31 2024 and 2023 are as follows:

	2024	2023
The opening balance transferred to trade receivables	\$-	\$8
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	36	-

(3) Transaction price allocated to unsatisfied performance obligations: None.

(4) Assets recognized from cost to fulfil a contract: None.

(15) Expected credit losses (gains)

	For the year ended December 31,	
	2024	2023
Operating expenses – Expected credit losses/(gains)		
Notes receivable	\$-	\$-
Accounts receivable	12,886	597
Total	\$12,886	\$597

Please refer to Note 12 for more details on credit risk.

The Group measured the impairment against the other receivables reclassified from accounts receivable due to factoring agreements mainly based on the expected credit loss for 12 months of the counter-party financial institutions. As of December 31, 2024 and 2023, there were no other receivables pass due. Furthermore, the Group assessed the related expected credit loss to be insignificant because the counter-party financial institutions are of good credit condition.

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

The Group considers the grouping of accounts receivable by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix. Details are as follows:

As of December 31, 2024

	Not past due		Past due							Total
	(Note)	Within	91-120	121-150	151-180	181-210	211-240	241-270	Over 271	
		90 days	days	days	days	days	days	days	days	
Gross carrying amount	\$785,916	\$32,285	\$1,093	\$-	\$-	\$-	\$-	\$-	\$18,690	\$837,984
Loss ratio	-%	1%	5%	10%	20%	30%	40%	50%	100%	
Lifetime expected credit losses	-	(395)	(55)	-	-	-	-	-	(18,690)	(19,140)
Subtotal	\$785,916	\$31,890	\$1,038	\$-	\$-	\$-	\$-	\$-	\$-	\$818,844

As of December 31, 2023

	Not past due		Past due							Total
	(Note)	Within	91-120	121-150	151-180	181-210	211-240	241-270	Over 271	
		90 days	days	days	days	days	days	days	days	
Gross carrying amount	\$784,836	\$35,421	\$6,662	\$457	\$138	\$101	\$-	\$-	\$4,811	\$832,426
Loss ratio	-%	1%	5%	10%	20%	30%	40%	50%	100%	
Lifetime expected credit losses	-	(427)	(333)	(45)	(28)	(30)	-	-	(4,811)	(5,674)
Subtotal	\$784,836	\$34,994	\$6,329	\$412	\$110	\$71	\$-	\$-	\$-	\$826,752

Note: All the Group's notes receivable were not past due.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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The movement in the provision for impairment of accounts receivable during the year ended December 31, 2024 and 2023 are as follows:

	Accounts receivable
Beginning balance as of January 1, 2024	\$5,674
Addition/ (reversal) for the current period	12,886
Write off	-
Effect of exchange rate changes	580
Ending balance as of December 31, 2024	<u>\$19,140</u>
Beginning balance as of January 1, 2023	\$5,172
Addition/ (reversal) for the current period	597
Write off	-
Effect of exchange rate changes	(95)
Ending balance as of December 31, 2023	<u>\$5,674</u>

(16) Leases

A. Group as a lessee

The Group leases various properties, including real estate such as land and buildings, transportation equipment and other equipment. These lease have terms of between 3 to 50 years. The Group may not allowed to privately lend, sublease, sell, use by others in other disguised form, or transfer the lease to another person.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

a. Amounts recognized in the balance sheets

(a) Right-of-use assets

Net carrying amount of right-of-use assets

	As of December 31,	
	2024.12.31	2023.12.31
Land	\$107,474	\$104,543
Buildings	2,474	4,978
Transportation equipment	214	425
Other equipment	905	459
Total	<u>\$111,067</u>	<u>\$110,405</u>

The Group's right-of-use assets increased by NT\$1,187 thousand and NT\$2,781 thousand for the years ended December 31, 2024 and 2023, respectively.

(b) Lease liabilities

	As of December 31,	
	2024.12.31	2023.12.31
Lease liabilities	<u>\$3,619</u>	<u>\$5,972</u>
Current	\$3,432	\$3,143
Non-current	<u>187</u>	<u>2,829</u>
Total	<u>\$3,619</u>	<u>\$5,972</u>

Please refer to Note 6(18) (c) for the interest on lease liabilities recognized during the years ended December 31, 2024 and 2023 and refer to Note 12(5) Liquid Risk Management for the maturity analysis for lease liabilities as of December 31, 2024 and 2023.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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b. Amounts recognized in the statements of comprehensive income

Depreciation charge for right-of-use assets

	For the year ended December 31,	
	2024	2023
Land	\$2,454	\$2,420
Buildings	2,588	2,572
Transportation equipment	228	310
Other equipment	760	867
Total	<u>\$6,030</u>	<u>\$6,169</u>

c. Income and costs relating to leasing activities

	For the year ended December 31,	
	2024	2023
The expenses relating to short-term leases	<u>\$491</u>	<u>\$578</u>

d. Cash outflow relating to leasing activities

During the year ended December 31, 2024 and 2023, the Group's total cash outflows for leases amounting to NT\$4,304 thousand and NT\$4,481 thousand, respectively.

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(17) Summary statement of employee benefits, depreciation and amortization by function is as follows:

	For the year ended December 31,					
	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit						
Salaries	\$76,713	\$78,131	\$154,844	\$66,454	\$79,680	\$146,134
Labor and health insurance	-	2,141	2,141	-	2,071	2,071
Pension	-	1,072	1,072	-	1,038	1,038
Other employee benefit	10,154	12,947	23,101	9,428	9,820	19,248
Depreciation	56,096	11,058	67,154	52,740	10,430	63,170
Amortization	-	1,649	1,649	-	1,627	1,627

According to the resolution, not lower than 10% of profit of the current year is distributable as employees' compensation and no higher than 5% of profit of the current year is distributable as remuneration to directors. However, the Company's accumulated losses shall have been covered.

The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition, a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

The Company estimated the amounts of the employees' compensation and remuneration to directors for the year ended December 31, 2024 and 2023 to be not lower than 10% and not higher than 5% of profit of the current period, respectively, recognized as employee benefits expense. As such, employees' compensation and remuneration to directors for the year ended December 31, 2024 amounted to NT\$2,746 thousand and NT\$960 thousand, respectively, and, for the year ended December 31, 2023 amounted to NT\$5,197 thousand and NT\$1,559 thousand, respectively. The employees' compensation and remuneration to directors were recognized as salaries.



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The Company's Board of Directors' meeting has determined the employees' compensation and directors' remuneration, all in cash, to be NT\$2,746 thousand and NT\$960 thousand, respectively, in a meeting held on February 26, 2025. No material differences exist between the estimated amount and the actual distribution of the employee compensation and remuneration to directors for the year ended December 31, 2024.

The Company's Board of Directors' meeting has determined the employees' compensation and directors' remuneration, all in cash, to be NT\$5,197 thousand and NT\$1,559 thousand, respectively, in a meeting held on February 27, 2024. No material differences exist between the estimated amount and the actual distribution of the employee compensation and remuneration to directors for the year ended December 31, 2023.

(18) Non-operating income and expenses

(a) Other incomes

	For the year ended December 31,	
	2024	2023
Interest income		
Financial assets measured at amortized cost	\$2,753	\$3,315
Dividend income	389	885
Other income—others	15,046	7,932
Total	\$18,188	\$12,132

(b) Other gains and losses

	For the year ended December 31,	
	2024	2023
Gain (loss) from disposal of property, plant and equipment	\$(506)	\$(323)
Foreign exchange gain (loss), net	5,454	(14,175)
Lease modification gains	-	17
Other expenses	(935)	(273)
Total	\$4,013	\$(14,754)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(c) Finance costs

	For the year ended December 31,	
	2024	2023
Interest on bank loans	\$25,557	\$28,890
Interest on lease liabilities	151	207
Total	\$25,708	\$29,097

(19) Components of other comprehensive income

For the year ended December 31, 2024

	Arising during the period	Reclassification during the period	Other comprehensive income	Income tax benefit (expense)	OCI, net of tax
Not reclassified to profit or loss:					
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	\$(10,033)	\$-	\$(10,033)	\$1,326	\$(8,707)
May be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	86,481	-	86,481	(17,297)	69,184
Total OCI	\$76,448	\$-	\$76,448	\$(15,971)	\$60,477

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For the year ended December 31, 2023

	Arising during the period	Reclassification during the period	Other comprehensive income	Income tax benefit (expense)	OCI, net of tax
Not reclassified to profit or loss:					
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	\$12,280	\$(5,292)	\$6,988	\$(396)	\$6,592
May be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	(26,654)	-	(26,654)	5,331	(21,323)
Total OCI	<u>\$(14,374)</u>	<u>\$(5,292)</u>	<u>\$(19,666)</u>	<u>\$4,935</u>	<u>\$(14,731)</u>

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(20) Income tax

A. The major components of income tax expense (benefit) are as follows:

Income tax expense (benefit) recognized in profit or loss

	For the year ended December 31,	
	2024	2023
Current income tax expense (benefit):		
Current income tax expense	\$11,615	\$10,282
Adjustments in respect of current income tax of prior periods	447	11,357
Deferred tax expense (benefit):		
Deferred tax expense (benefit) relating to origination and reversal of temporary differences	459	2,732
Tax expense (income) recognized in the period for previously unrecognized tax loss, tax credit or temporary difference of prior periods	-	(10,788)
Total income tax expense	\$12,521	\$13,583

Income tax relating to components of other comprehensive income

	For the year ended December 31,	
	2024	2023
Deferred income tax expense (income):		
Share of other comprehensive income of subsidiaries accounted for under equity method	\$15,971	\$(4,935)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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- B. A reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	<u>For the year ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Accounting profit before tax from continuing operations	<u>\$31,605</u>	<u>\$49,905</u>
Tax payable at the enacted tax rates	\$1,031	\$10,070
Tax effect of tax free gain	(91)	-
Tax effect of deferred tax assets/liabilities	11,134	5,067
Other income tax effects adjusted in accordance with the tax laws and regulations	-	(2,123)
Adjustments in respect of current income tax of prior periods	<u>447</u>	<u>569</u>
Total income tax recognized in profit or loss	<u>\$12,521</u>	<u>\$13,583</u>

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C. Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2024

	Beginning balance as of January 1, 2024	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Ending balance as of December 31, 2024
Temporary differences					
Expected credit losses	\$24	\$2,780	\$-	\$64	\$2,868
Unrealized loss on inventory valuation	222	9,657	-	219	10,098
Unrealized gross profit	1,967	(696)	-	-	1,271
Gain on disposal of property, plant and equipment	2,469	(13)	-	-	2,456
Loss on disposal of property, plant and equipment	(142)	-	-	(8)	(150)
Government grants revenue	14,831	(12,623)	-	490	2,698
Unrealized exchange loss (gain)	4,988	(1,440)	-	-	3,548
Investments accounted for using the equity method	(170,820)	1,876	-	-	(168,944)
Exchange differences on translation of foreign operating	7,023	-	(17,297)	-	(10,274)
Unrealized gain (loss) from equity instruments investment measured at fair value through other comprehensive income	(41,919)	-	2,495	(703)	(40,127)
Deferred tax (expense)/ income		<u>\$(459)</u>	<u>\$(14,802)</u>	<u>\$62</u>	
Net deferred tax assets/(liabilities)	<u>\$(181,357)</u>				<u>\$(196,556)</u>
Reflected in balance sheets as follows:					
Deferred tax assets	<u>\$(31,524)</u>				<u>\$(22,939)</u>
Deferred tax liabilities	<u>\$(212,881)</u>				<u>\$(219,495)</u>

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For the year ended December 31, 2023

	Beginning balance as of January 1, 2023	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Ending balance as of December 31, 2023
Temporary differences					
Expected credit losses	\$24	\$-	\$-	\$-	\$24
Unrealized loss on inventory valuation	263	(41)	-	-	222
Unrealized gross profit	2,772	(805)	-	-	1,967
Gain on disposal of property, plant and equipment	2,484	(15)	-	-	2,469
Loss on disposal of property, plant and equipment	(145)	-	-	3	(142)
Government grants revenue	15,085	-	-	(254)	14,831
Unrealized exchange loss (gain)	2,688	2,300	-	-	4,988
Investments accounted for using the equity method	(177,437)	6,617	-	-	(170,820)
Exchange differences on translation of foreign operating	1,692	-	5,331	-	7,023
Unrealized gain (loss) from equity instruments investment measured at fair value through other comprehensive income	(41,413)	-	(746)	240	(41,919)
Deferred tax (expense)/ income		\$8,056	\$4,585	\$(11)	
Net deferred tax assets/(liabilities)	<u>\$(193,987)</u>				<u>\$(181,357)</u>
Reflected in balance sheets as follows:					
Deferred tax assets	<u>\$25,008</u>				<u>\$31,524</u>
Deferred tax liabilities	<u>\$(218,995)</u>				<u>\$(212,881)</u>

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D. Unrecognized deferred tax assets

As of December 31, 2024 and 2023, deferred tax assets that have not been recognized as they may not be used to offset future taxable income amounted to NT\$36,477 thousand and NT\$25,481 thousand, respectively.

E. The assessment of income tax returns

	<u>The assessment of income tax returns</u>
The Company	Assessed and approved up to 2022

(21) Earnings per share

Basic earnings per share is calculated by dividing net profit for the year attributable to the common shareholders of the parent entity by the weighted average number of common shares outstanding during the year.

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

	<u>For the years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
(1) Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT\$)	<u>\$19,084</u>	<u>\$36,322</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	<u>98,201</u>	<u>98,201</u>
Basic earnings per share (NT\$)	<u>\$0.19</u>	<u>\$0.37</u>



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	For the years ended December 31,	
	2024	2023
(2) Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT\$)	\$19,084	\$36,322
Profit attributable to ordinary equity holders of the Company after dilution (in thousand NT\$)	\$19,084	\$36,322
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	98,201	98,201
Effect of dilution:		
Employee compensation — stock (in thousands)	381	297
Weighted average number of ordinary shares outstanding after dilution (in thousands)	98,582	98,498
Diluted earnings per share (NT\$)	\$0.19	\$0.37

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

7. RELATED PARTY TRANSACTIONS

(1) Deal with related parties as of the end of the reporting period :

None.

(2) Significant transactions with the related parties

Salaries and rewards to key management of the group

	For the years ended December 31,	
	2024	2023
Short-term employee benefits	\$12,357	\$12,110
Post-employment benefits	195	195
Total	\$12,552	\$12,305

8. ASSETS PLEDGED AS SECURITY

None.

9. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) The Group's unused letters of credit (LC) as of December 31, 2024 are as follows:

<u>Currency</u>	<u>LC Amount (in thousand)</u>	<u>Security (in thousand)</u>
JPY	38,828	\$-
USD	22	\$-

(2) Details of significant constructions in progress and outstanding contracts of property, plant and equipment as of December 31, 2024 are as follows: (In Thousands of RMB Dollars)

<u>Nature of Contract</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Outstanding Balance</u>
Construction contracts	<u>RMB 83,591</u>	<u>RMB 82,526</u>	<u>RMB 1,065</u>

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENT

None.

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12. OTHERS

(1) Categories of financial instruments

Financial assets

	As of December 31,	
	2024	2023
Financial assets at fair value through OCI	\$144,957	\$145,727
Financial assets measured at amortized cost		
Cash and cash equivalent (exclude cash on hand)	602,573	448,557
Notes receivable, net	219,848	167,014
Accounts receivable, net	598,996	659,738
Other receivables	24,792	27,071
Subtotal	1,446,209	1,302,380
Total	\$1,591,166	\$1,448,107

Financial liabilities

	As of December 31,	
	2024	2023
Financial liabilities measured at amortized cost:		
Short-term loans	\$710,137	\$533,067
Accounts payable and other payables	138,725	205,081
Long-term loans (including current portion with maturity less than 1 year)	100,000	100,000
Lease liabilities	3,619	5,972
Total	\$952,481	\$844,120

(2) Objectives and policies of financial risk management

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

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(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market risk comprise currency risk, interest rate risk and other price risk (e.g. equity instruments).

In practice, it is rarely the case that a single risk variable will change independently from other risk variables. There are usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to foreign currency risk relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign operations.

The Group has certain foreign currency receivables denominated in the same foreign currency as certain foreign currency payables, therefore natural hedge is achieved. Thus, hedge account is not adopted.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit/loss and equity is performed on significant monetary items denominated in foreign currencies as of the reporting period - end. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for foreign currency US dollars and foreign currency RMB dollars. The information of the sensitivity analysis is as follows:

If NTD dollars appreciates/depreciates against US dollars by 1%, the net income(loss) for the years ended December 31, 2024 and 2023 would decreased/increased by NT\$166 thousand and increased / decreased NT\$1,166 thousand, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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If NTD dollars appreciates/depreciates against RMB dollars by 1%, the net income(loss) for the years ended December 31, 2024 and 2023 would decreased/ increased by NT\$7,597 thousand and NT\$8,745 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk rates relates primarily to the Group's investments with variable interest rates and loans with fixed and variable interest rates, which are all categorized as loans and receivables.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period and presumed to be held for one accounting year, including investments and loans with variable interest rates. If interest rate increases/decreases by 0.1%, the net income (loss) for the years ended December 31, 2024 and 2023 would increase/decreased by NT\$158 thousand and NT\$110 thousand, respectively.

Equity price risk

The fair value of the Group's listed and unlisted equity securities and conversion rights of the Euro-convertible bonds issued are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed and unlisted equity securities are classified under financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income, while conversion rights of the Euro-convertible bonds issued are classified as financial liabilities at fair value through profit or loss as it does not satisfy the definition of an equity component.

The equity securities are the investments of listed stocks stated as equity instruments measured at fair value through other comprehensive income. For the years ended December 31, 2024 and 2023, a rise/fall of 1% of the equity securities will cause the equity of the Company to increase/decreased by NT\$106 thousand and NT\$105 thousand, respectively.

Please refer to Note 12.8 for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 1.

(4) Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a contract and result in a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts and notes receivable) and financing activities (primarily for bank deposits and other financial instruments).

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit risk of all customers are assessed based on a comprehensive review of the customers' financial status, credit ratings from credit institutions, past transactions, current economic conditions and the Group's internal credit ratings. The Group also employs some credit enhancement instruments (e.g. prepayment or insurance) to reduce certain customers' credit risk.

As of December 31, 2024 and 2023, receivables from the top ten customers were accounted for 51.85% and 59.99% of the Group's total accounts receivable, respectively. The concentration of credit risk is relatively not significant for the remaining receivables.

Credit risk from balances with banks and other financial instruments is managed by the Group's finance division in accordance with the Group's policy. The counterparties that the Group transacts with are determined by internal control procedures. They are banks with fine credit ratings and financial institutions with investment-grade credit ratings. Thus, there is no significant default risk. Conclusively, there is no significant credit risk for these counter parties.

The Group adopted IFRS 9 to assess the expected credit losses. Except for trade receivables, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(5) Liquidity risk management

The Group maintains financial flexibility through the use of cash and cash equivalents, bank loans, convertibal bonds, etc. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted interest payment relating to borrowings with variable interest rates is extrapolated based on the estimated yield curve as of the end of the reporting period.

Non-derivative financial instruments

	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
<u>As of December 31, 2024</u>					
Loans	\$824,006	\$-	\$-	\$-	\$824,006
Payables	138,725	-	-	-	138,725
Lease liabilities	3,482	164	27	-	3,673
<u>As of December 31, 2023</u>					
Loans	\$543,088	\$102,040	\$-	\$-	\$645,128
Payables	205,081	-	-	-	205,081
Lease liabilities	3,263	2,863	-	-	6,126

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(6) Movement schedule of liabilities arising from financing activities

Movement schedule of liabilities for the year ended December 31, 2024:

	Short-term borrowings	Long-term borrowings	Leases liabilities	Total liabilities from financing activities
As of January 1, 2024	\$533,067	\$100,000	\$5,972	\$639,039
Cash flows	177,070	-	(3,813)	173,257
Lease range changes	-	-	1,173	1,173
Interests on lease liabilities	-	-	151	151
Currency rate change	-	-	136	136
As of December 31, 2024	\$710,137	\$100,000	\$3,619	\$813,756

Movement schedule of liabilities for the year ended December 31, 2023:

	Short-term borrowings	Long-term borrowings	Leases liabilities	Total liabilities from financing activities
As of January 1, 2023	\$748,325	\$100,000	\$7,118	\$855,443
Cash flows	(215,258)	-	(3,903)	(219,161)
Lease range changes	-	-	2,602	2,602
Interests on lease liabilities	-	-	207	207
Currency rate change	-	-	(52)	(52)
As of December 31, 2023	\$533,067	\$100,000	\$5,972	\$639,039



(7) Fair values of financial instruments

A. The evaluation methods and assumptions applied in determining the fair value

Fair value is the price that would be received to sell a financial asset or paid to transfer a financial liability in an orderly transaction between willing market participants (not under coercion or liquidation). The following methods and assumptions are used by the Group in estimating the fair values of financial assets and liabilities:

- (a) The carrying amount of cash and cash equivalents, receivables, payables and other current liabilities approximate their fair value due to their short maturity terms.
- (b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.
- (c) Fair value of equity instruments without market quotations (including private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).
- (d) Fair value of debt instruments without bank loans and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Group's financial liabilities measure at amortized cost approximates their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12 (8) for Fair value measurement hierarchy for financial instruments of the Group.

(8) Fair value measurement hierarchy

(A) Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

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

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

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(B) Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As of December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Equity instrument measured at fair value through OCI	<u>\$10,625</u>	<u>\$-</u>	<u>\$134,332</u>	<u>\$144,957</u>

As of December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Equity instrument measured at fair value through OCI	<u>\$10,463</u>	<u>\$-</u>	<u>\$135,264</u>	<u>\$145,727</u>

Transfers between Level 1 and Level 2 during the period

For the years ended December 31, 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value hierarchy.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	<u>At fair value through OCI</u>
Beginning balances as of January 1, 2024	\$135,264
Total gains (losses) recognized for the year ended December 31, 2024	
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	(5,302)
Recognition of deferred tax liabilities	(2,495)
Currency rate change	6,865
Transfer in/(out) of Level 3	(932)
Ending balances as of December 31, 2024	<u>\$134,332</u>
	<u>At fair value through OCI</u>
Beginning balances as of January 1, 2023	\$135,245
Total gains (losses) recognized for the year ended December 31, 2023	
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	1,583
Recognition of deferred tax liabilities	746
Currency rate change	(2,310)
Transfer in/(out) of Level 3	19
Ending balances as of December 31, 2023	<u>\$135,264</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(9) Significant assets and liabilities denominated in foreign currencies

Information regarding the Group's significant financial assets and liabilities denominated in foreign currencies was listed below:(In thousand)

	As of December 31,		
	2024		
	Foreign Currencies	Exchange Rate	NTD
Financial assets			
Monetary items:			
USD	\$13,528	32.785	\$443,525
RMB	\$217,311	4.561	\$991,117
Financial liabilities			
Monetary items:			
USD	\$13,018	32.785	\$426,804
RMB	\$49,907	4.561	\$227,617
	As of December 31,		
	2023		
	Foreign Currencies	Exchange Rate	NTD
Financial assets			
Monetary items:			
USD	\$5,957	30.705	\$182,896
RMB	\$250,215	4.335	\$1,084,735
Financial liabilities			
Monetary items:			
USD	\$9,774	30.705	\$300,123
RMB	\$47,495	4.335	\$205,903

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Foreign exchange gain/loss on monetary financial assets and liabilities is shown as below.

Foreign currency resulting in exchange gain or loss	For the year ended December 31,	
	2024	2023
USD	\$2,445	\$(11,964)
Other	3,009	(2,211)
Total	<u>\$5,454</u>	<u>\$(14,175)</u>

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

(10) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages and adjusts its capital structure in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. ADDITIONAL DISCLOSURES

(1) Information on significant transactions

A. Financing provided to others: None.

B. Endorsement/Guarantee provided to others: None.

C. Marketable securities held as of December 31, 2024 (excluding investments in subsidiaries, associates and joint ventures): Please refer to attachment 1.

D. Individual securities acquired or disposed of with accumulated amount of at least NT\$ 300 million or 20 percent of the paid-in capital for the year ended December 31, 2024: None.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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- E. Acquisition of individual real estate with amount of at least NT\$300 million or 20 percent of the paid-in capital for the year ended December 31, 2024: None.
- F. Disposal of individual real estate with amount of at least NT\$300 million or 20 percent of the paid-in capital for the year ended December 31, 2024: None.
- G. Related party transactions with purchase or sales amount of at least NT\$100 million or 20 percent of the paid-in capital for the year ended December 31, 2024: Please refer to attachment 2.
- H. Receivables from related parties of at least NT\$100 million or 20 percent of the paid-in capital as of December 31, 2024: Please refer to attachment 3.
- I. Derivative instrument transactions: None.
- J. Intergroup relationships and significant intergroup transactions for the year ended December 31, 2024: Please refer to attachment 9.

(2) Information on investees

- A. Investees over whom the Group exercises significant influence or control (excluding investees in Mainland China): Please refer to attachment 4.
- B. Investees over which the Group exercises control shall be disclosed of information under Note 13(1):
  - (a) Financing provided to others: Please refer to attachment 5.
  - (b) Endorsement/Guarantee provided to others: None.
  - (c) Marketable securities held as of December 31, 2024 (excluding investments in subsidiaries, associates and joint ventures): Please refer to attachment 6.
  - (d) Individual securities acquired or disposed of with accumulated amount of at least NT\$300 million or 20 percent of the paid-in capital for the year ended December 31, 2024: None.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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- (e) Acquisition of individual real estate with amount of at least NT\$300 million or 20 percent of the paid-in capital for the year ended December 31, 2024: None.
- (f) Disposal of individual real estate with amount of at least NT\$300 million or 20 percent of the paid-in capital for the year ended December 31, 2024: None.
- (g) Related party transactions with purchase or sales amount of at least NT\$100 million or 20 percent of the paid-in capital for the year ended December 31, 2024: Please refer to attachment 7.
- (h) Receivables from related parties of at least NT\$100 million or 20 percent of the paid-in capital as of December 31, 2024: Please refer to attachment 8.
- (i) Derivative instrument transactions: None.



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(3) Information on investments in Mainland China

A. Name of investee in China, main business, paid-in capital, method of investment, investment flows, percentage of ownership, investment gain or loss, carrying amount at the end of reporting period, inward remittance of earning or loss and the upper limit on investment in China:

(In Thousands of New Taiwan Dollars)

Name of Investee in China	Main Business	Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2024	Profit/Loss of Investee	Percentage of Ownership (Direct or Indirect Investment)	Share of Profit/Loss (Note 5)	Carrying Amount as of December 31, 2024 (Note 5)	Accumulated Inward Remittance of Earnings as of December 31, 2024	Accumulated Outflow of Investment from Taiwan to Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment in China by Investment Commission, MOEA
					Outflow	Inflow									
KUNSHAN APLUS TEC. CORPORATION	Production of FPC and protective film	\$587,534	(Note 1)	\$587,534	\$-	\$-	\$587,534	\$40,930	100%	\$40,930 (Note 2 and Note 3)	\$1,418,101 (Note 2)	\$-	\$587,534	\$587,534	\$929,182

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(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Name of Investee in China	Main Business	Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2024	Profit/Loss of Investee	Percentage of Ownership (Direct or Indirect Investment)	Share of Profit/Loss (Note 5)	Carrying Amount as of December 31, 2024 (Note 5)	Accumulated Inward Remittance of Earnings as of December 31, 2024	Accumulated Outflow of Investment from Taiwan to Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment in China by Investment Commission, MOEA
					Outflow	Inflow									
DONGTAI APLUS TECHNOLOGY CO., LTD.	Production of multilayer flexible boards, copper foil substrates, and development of materials for electronics	\$310,047	(Note 1 and Note 4)	\$-	\$-	\$-	\$-	\$(47,970)	100%	\$(47,970) (Note 2 and Note 3)	\$210,021 (Note 2)	\$-	\$-	\$310,047	

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Note 1: Reinvest in mainland China through a third-region company.

Note 2: Amounts in foreign currencies are translated into New Taiwan dollars using the exchange rates on the balance sheets date.

Note 3: Gain/loss on investment is recognized based on the financial statements which were audited by the independent auditors of the parent company in Taiwan.

Note 4: The Company remitted the investment amount of RMB30,000 thousand, RMB20,000 thousand and RMB20,000 thousand in 2018, 2019, 2021, respectively through the surplus distribution and reinvestment of KUNSHAN APLUS TEC. CORPORATION for a total of RMB70,000.

Note 5: Transactions are eliminated upon preparation of consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- B. Purchase and balances of related accounts payable as of December 31, 2024: Please refer to attachment 9.
- C. Sale and balance of related accounts receivable as of December 31, 2024: Please refer to attachment 9.
- D. Property transaction amounts and resulting gain or loss: None.
- E. Ending balance of endorsements/guarantees or collateral provided and the purposes: None.
- F. Maximum balance, ending balance, interest rate range and total interest for current period from financing provided to others: None.
- G. Transactions that have significant impact on profit or loss of current period or the financial position, such as services provided or rendered:
- (1) For the year ended December 31, 2024, the Company purchased materials for KUNSHAN APLUS TEC. CORPORATION was NT\$94,108 thousand.
- (2) For the year ended December 31, 2024, the balance of other receivables amounted to NT\$4,474 thousand. The other receivables resulted from KUNSHAN APLUS TEC. CORPORATION collected on delivery to the Company.
- (4) Information on major shareholders

Share		
Major shareholder	Shareholding ratio	Shareholding ratio
E Ink Holdings Inc.	10,039,000	10.22%
Shengbai Investment Co., Ltd.	5,651,800	5.75%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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14. OPERATING SEGMENT

(1) The Group's revenue mainly comes from the sales of FPC such as covering film and flexible copper foil substrates, and the Group's operating decision makers review the overall operating results of the Company to make decisions on the Company's resources and evaluate the performance of the Company as a whole, so it is a single operating Segment and is prepared on the same basis as the summary of important accounting policies described in Note 4.

(2) Geographical information

Revenues from external customers

	<u>For the year ended, December 31,</u>	
	<u>2024</u>	<u>2023</u>
China	\$1,468,148	\$1,485,677
Taiwan	60,511	54,599
Other countries	13,045	8,234
Total	<u>\$1,541,704</u>	<u>\$1,548,510</u>

The revenue information above is based on the location of the customer.

Non-current assets

	<u>As of December 31,</u>	
	<u>2024</u>	<u>2023</u>
China	\$3,382	\$5,062
Taiwan	963,910	930,851
Total	<u>\$967,292</u>	<u>\$935,913</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(3) Information about major customers

Name of Customers	For the year ended, December 31,	
	2024	2023
A Customer	\$208,978	\$227,024
B Customer	214,255	185,338
Total	\$423,233	\$412,362

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ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

Marketable Securities Held (Excluding Investments in Subsidiaries, Associates and Joint Ventures)

As of December 31, 2024

Attachment 1

(In Thousands of New Taiwan Dollars)

Name of Held Company	Type and Name of Marketable Securities (Note 1)	Relationship with the Issuer (Note 2)	Financial Statement Account	As of December 31, 2024				Note (Note 4)
				Shares / Units	Carrying Amount (Note 3)	Shareholding %	Fair Value	
Asia Electronic Material Co., Ltd.	Market stock:  Ventec International Group Co., Ltd.	-	Equity at fair value through OCI instrument investment - non current	170,000	\$10,506	0.24	<u>\$10,625</u>	None
			Add: Valuation adjustments		119			
			Total		<u>\$10,625</u>			

Note 1: The marketable securities mentioned in attachment refer to stocks, bonds, beneficiary certificates and securities derived from above mentioned items within in the scope of IFRS9 Financial Instruments.

Note 2: If issuer of marketable securities is not related party, don't fill in this field.

Note 3: Financial Instruments measured by fair value, please fill in the book value after the adjustment of the valuation deduct the accumulated impairments amount in the column; not measured by fair value, please fill in the original acquisition cost or amortized cost deduct the accumulated impairment amount in the column.

Note 4: If there are securities have provided guarantees, pledged loans, or other restricted users according to the agreement, the number and the amount of shares provided with guarantees or pledges, and the restricted use conditions should be indicated in the column.

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ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

Related Party Transactions with Purchases or Sales Amount of at least NT\$100 Million or 20% of the Paid-in Capital

For the Year Ended December 31, 2024

Attachment 2

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/ Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment/ Collection Term	Unit Price	Payment/ Collection Term	Ending Balance	% to Total	
Asia Electronic Material Co., Ltd.	KUNSHAN APLUS TEC. CORPORATION	Subsidiary	Sale	<u>\$549,510</u> (Note1)	60.19%	150 days after next monthly closing	The products are only purchased by the related party. Cannot be reasonably compared.	Non relative parties are 60~180 days after monthly closing , relative parties are 150 days after next monthly closing.	<u>\$110,001</u> (Accounts receivable)	28.63%	Note2
Asia Electronic Material Co., Ltd.	DONGTAI APLUS TECHNOLOGY CO., LTD.	Subsidiary	Sale	<u>\$101,828</u> (Note1)	11.15%	150 days after next monthly closing	The products are only purchased by the related party. Cannot be reasonably compared.	Non relative parties are 60~180 days after monthly closing , relative parties are 150 days after next monthly closing.	<u>\$214,915</u> (Accounts receivable)	55.93%	
Asia Electronic Material Co., Ltd.	KUNSHAN APLUS TEC. CORPORATION	Subsidiary	Purched	<u>\$(233,704)</u>	28.42%	150 days after next monthly closing	The products are only purchased by the related party. Cannot be reasonably compared.	Non relative parties are 45~90 days after monthly closing , relative parties are 150 days after next monthly closing.	<u>\$(245,713)</u> (Accounts payable)	87.34%	Note2

Note1: The amount has already been deducted from the holding company purchasing materials amount of KUNSHAN APLUS TEC. CORPORATION for 94,108 thousand dollars.

Note2: Transactions are eliminated when preparing the consolidated financial statements.



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ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

Receivables from Related Parties of at least NT\$100 Million or 20% of the Paid-in Capital

As of December 31, 2024

Attachment 3

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Ratio	Overdue		Amount Received in Subsequent Periods	Loss Allowance				
					Amount	Action Taken						
Asia Electronic Material Co., Ltd.	KUNSHAN APLUS TEC. CORPORATION	Subsidiary	Accounts receivable	4.75	\$-		\$70,711	\$-				
			<u>\$110,001</u>									
			(Note)									
			Other receivables									
Asia Electronic Material Co., Ltd.	DONGTAI APLUS TECHNOLOGY CO., LTD.	Subsidiary	Accounts receivable	0.53	\$186,077	Active collection	\$-	\$-				
			<u>\$214,915</u>									
			(Note)									

Note: Transactions are eliminated when preparing the consolidated financial statements.

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ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

Investees over Whom the Company Exercise Significant Influence or Control Directly or Indirectly (Excluding Investees in Mainland China)

As of December 31, 2024

Attachment 4

(In Thousands of Foreign Currency / New Taiwan Dollars)

Investor	Investee	Business Location	Main Business and Product	Original Investment Amount		Balance as of December 31, 2024			Net Income (Loss) of the Investee	Share of Income (Loss) of the Investee(Note)	Note
				As of December 31, 2024	As of December 31, 2023	Shares	%	Carrying Value (Note)			
Asia Electronic Material Co., Ltd.	ASIA ELECTRONIC MATERIAL HOLDING (SAMOA) CO., LTD.	Samoa	Investing activities	\$587,534	\$587,534	18,265,100	100.00%	\$1,627,769	\$(7,040)	\$(7,040)	Subsidiary
Asia Electronic Material Co., Ltd.	BESTTRADE CO., LTD.	Samoa	Electronic materials trading and business which relates to import and export	97,471	97,471	2,950,000	100.00%	86,314	(2,339)	(2,339)	Subsidiary
ASIA ELECTRONIC MATERIAL HOLDING (SAMOA) CO., LTD.	AMMON TEC. INVESTMENT CORP.	British Virgin Islands	Investing activities	556,382 (USD 18,260)	556,382 (USD 18,260)	18,260,000	100.00%	1,627,852 (USD 49,652)	(7,040) (USD 219)	(7,040) (USD 219)	Subsidiary

Note : Transactions are eliminated when preparing the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

Financing provided to others

For the year ended December 31, 2024

Attachment 5

(In Thousands of New Taiwan Dollars)

NO. (Note1)	Lender	Counter-party	Financial accounting account	Related Party	Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing (Note 2)	Amount of sales to(purchases from) counter-party	Reason for financing	Allowance for doubtful accounts	Collateral		Limit of financing amount for individual counter- party (Note 3)	Limit of total financing amount (Note 3)
													Item	Value		
1	KUNSHAN APLUS TEC. CORPORATION	DONGTAI APLUS TECHNOLOGY CO., LTD.	Other receivables -related parties	Yes	\$273,649	\$273,649	\$159,629 (Note 4)	-	2	\$-	Business turnover	\$-	-	-	\$567,240	\$567,240

Note 1: Asia Electronic Material Co., Ltd. and subsidiaries are coded as follows:

1. Asia Electronic Material Co., Ltd. is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Nature of financing is coded as follows:

1. Need for operating is coded "1".
2. Need for short term financing is coded "2".

Note 3: Limit of total financing amount shall not exceed 40% of the lender's net assets of value, which audited by CPA in current period, as of December 31, 2024.

Limited and reason of financing amount for individual counter-party is seted as follows: 31, 2024.

1. Limit of total financing amount which need for operating shall not exceed transaction amount between two parties in prior year and current year.
2. Limit of total financing amount need for short term financing not exceed 40% of the lender's net assets of value, which audited by CPA in recent period. The financing amount refers to the cumulative balance of the company's short-term financing funds.
3. The total financing amount shall not exceed 100% of The Company's net assets of value, which audited by CPA in recent period, is limited  
between foreign subsidiaries which held directly or indirectly for 100% voting shares by The Company.

Note 4: Transactions are eliminated when preparing the consolidated financial statements.

ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

Marketable Securities Held (Excluding Investments in Subsidiaries, Associates and Joint Ventures)

As of December 31, 2024

Attachment 6

(In Thousands of New Taiwan Dollars)

Name of Held Company	Type and Name of Marketable Securities	Relationship with the Issuer	Financial Statement Account	As of December 31, 2024				Guarantee, Pledge or Other Restricted Conditions		
				Shares/Units	Carrying Amount	%	Fair Value	Shares	Carrying Amount	Note
KUNSHAN APLUS TEC. CORPORATION	Market stock: Leader-tech Electronics (Shenzhen) Co., Ltd.	The investee of the subsidiary	Equity instrument investment at fair value through OCI (non-current)	1,538,747	<u>\$60,284</u>	2.36%	<u>\$60,284</u>	-	<u>\$-</u>	
KUNSHAN APLUS TEC. CORPORATION	Market stock: Shenzhen Xin Shanghe Electronics Ltd. (Note 1)	The investee of the subsidiary	Equity instrument investment at fair value through OCI (non-current)	3,021,312	<u>\$38,966</u>	2.36%	<u>\$38,966</u>	-	<u>\$-</u>	
KUNSHAN APLUS TEC. CORPORATION	Market stock: Shenzhen Xin Shangrong Electronics Ltd. (Note 2)	The investee of the subsidiary	Equity instrument investment at fair value through OCI (non-current)	23,638	<u>\$35,082</u>	2.36%	<u>\$35,082</u>	-	<u>\$-</u>	

Note1: Leader-tech Electronic(Shenzhen) Co., Ltd. decided Leader-tech Electronic(Shenzhen) Co., Ltd. demerger at the meeting of shareholders on June 10, 2022,  
and split their stock to Shenzhen Xin Shanghe Electronics Ltd. on July 26, 2022.

Note2:Leader-tech Electronic(Shenzhen) Co., Ltd. decided Leader-tech Electronic(Shenzhen) Co., Ltd. demerger at the meeting of shareholders on February 15, 2022,  
and split their stock to Shenzhen Xin Shangrong Electronics Ltd. on April 28, 2022.

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES  
Related Party Transactions with Purchase or Sales Amount of at least NT\$ 100 Million or 20% of the Paid-in Capital  
For the Year Ended December 31, 2024

Attachment 7

(In Thousands of RMB Dollars)

Purchase/ Sale Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/ Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment/ Collection Term	Unit Price	Payment/ Collection Term	Ending Balance	% to Total	
KUNSHAN APLUS TEC. CORPORATION	Asia Electronic Material Co., Ltd.	Subsidiary	Sale	<u>RMB 51,908</u>	15.63%	150 days after next monthly closing	The products are only purchased by the related party. Cannot be reasonably compared.	Non relative parties are 60~180 days after monthly closing, relative parties are 150 days after next monthly closing.	<u>RMB 53,875</u>	19.58%	Note
KUNSHAN APLUS TEC. CORPORATION	Asia Electronic Material Co., Ltd.	Subsidiary	Purchase	<u>RMB (142,800)</u>	63.16%	150 days after next monthly closing	The products are only purchased by the related party. Cannot be reasonably compared.	Non relative parties are 60~180 days after monthly closing, relative parties are 150 days after next monthly closing.	<u>RMB (24,127)</u>	30.37%	Note
KUNSHAN APLUS TEC. CORPORATION	DONGTAI APLUS TECHNOLOGY CO., LTD.	Subsidiary	Sale	<u>RMB 24,341</u>	7.33%	150 days after next monthly closing	The products are only purchased by the related party. Cannot be reasonably compared.	Non relative parties are 60~180 days after monthly closing, relative parties are 150 days after next monthly closing.	<u>RMB 66,934</u>	24.33%	Note
KUNSHAN APLUS TEC. CORPORATION	DONGTAI APLUS TECHNOLOGY CO., LTD.	Subsidiary	Purchase	<u>RMB (42,523)</u>	19.29%	150 days after next monthly closing	The products are only purchased by the related party. Cannot be reasonably compared.	Non relative parties are 60~180 days after monthly closing, relative parties are 150 days after next monthly closing.	<u>RMB (28,687)</u>	35.73%	Note
DONGTAI APLUS TECHNOLOGY CO., LTD.	Asia Electronic Material Co., Ltd.	Subsidiary	Purchase	<u>RMB (22,716)</u>	37.04%	150 days after next monthly closing	The products are only purchased by the related party. Cannot be reasonably compared.	Non relative parties are 60~180 days after monthly closing, relative parties are 150 days after next monthly closing.	<u>RMB (47,122)</u>	40.28%	Note
DONGTAI APLUS TECHNOLOGY CO., LTD.	KUNSHAN APLUS TEC. CORPORATION	Subsidiary	Sale	<u>RMB 42,523</u>	57.73%	150 days after next monthly closing	The products are only purchased by the related party. Cannot be reasonably compared.	Non relative parties are 60~180 days after monthly closing, relative parties are 150 days after next monthly closing.	<u>RMB 28,687</u>	63.57%	Note
DONGTAI APLUS TECHNOLOGY CO., LTD.	KUNSHAN APLUS TEC. CORPORATION	Subsidiary	Purchase	<u>RMB (24,341)</u>	39.69%	150 days after next monthly closing	The products are only purchased by the related party. Cannot be reasonably compared.	Non relative parties are 60~180 days after monthly closing, relative parties are 150 days after next monthly closing.	<u>RMB (66,934)</u>	57.15%	Note

Note: Transactions are eliminated when preparing the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

Receivables from Related Parties of at least NT\$100 Million or 20% of the Paid-in Capital

As of December 31, 2024

Attachment 8

(In Thousands of RMB Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance (Note 1)	Turnover Ratio	Overdue		Amount Received in Subsequent	Loss Allowance
					Amount	Action Taken		
KUNSHAN APLUS TEC. CORPORATION	DONGTAI APLUS TECHNOLOGY CO., LTD.	Subsidiary	Accounts receivable RMB 66,934	0.45	RMB 43,778	Active collection	RMB -	RMB -
			Other receivables RMB 35,000	-				
KUNSHAN APLUS TEC. CORPORATION	Asia Electronic Material Co., Ltd.	Subsidiary	Accounts receivable RMB 53,875	1.12	RMB 24,238	Active collection	RMB -	RMB -
DONGTAI APLUS TECHNOLOGY CO., LTD.	KUNSHAN APLUS TEC. CORPORATION	Subsidiary	Accounts receivable RMB 28,687	1.90	RMB -	-	RMB -	RMB -

Note1: Transactions are eliminated when preparing the consolidated financial statements.

## ASIA ELECTRONIC MATERIAL CO., LTD. AND SUBSIDIARIES

Intercompany Relationships and Significant Intercompany Transactions for the Year Ended December 31, 2024

Attachment 9

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counter-Party	Nature of Relationship (Note 2)	Intercompany Transaction			
				Financial Statement Account	Amount	Terms	Percentage to Consolidated Net Revenue or Total Assets (Note 3)
	<u>2024.01.01~2024.12.31</u>						
0	Asia Electronic Material Co., Ltd.	KUNSHAN APLUS TEC. CORPORATION	1	Sales	\$549,510	150 days after next monthly closing	35.64%
0	Asia Electronic Material Co., Ltd.	KUNSHAN APLUS TEC. CORPORATION	1	Purchase	233,704	150 days after next monthly closing	15.16%
0	Asia Electronic Material Co., Ltd.	KUNSHAN APLUS TEC. CORPORATION	1	Accounts receivable	110,001	150 days after next monthly closing	3.96%
0	Asia Electronic Material Co., Ltd.	KUNSHAN APLUS TEC. CORPORATION	1	Other receivables	4,474	150 days after next monthly closing	0.16%
0	Asia Electronic Material Co., Ltd.	KUNSHAN APLUS TEC. CORPORATION	1	Accounts payable	245,713	150 days after next monthly closing	8.85%
0	Asia Electronic Material Co., Ltd.	DONGTAI APLUS TECHNOLOGY CO., LTD.	1	Sales	101,828	150 days after next monthly closing	6.60%
0	Asia Electronic Material Co., Ltd.	DONGTAI APLUS TECHNOLOGY CO., LTD.	1	Accounts receivable	214,915	150 days after next monthly closing	7.74%
0	Asia Electronic Material Co., Ltd.	BESTTRADE CO., LTD.	1	Other receivables	73,754	150 days after next monthly closing	2.66%
0	Asia Electronic Material Co., Ltd.	ASIA ELECTRONIC MATERIAL HOLDING (SAMOA) CO., LTD.	1	Other receivables	83	150 days after next monthly closing	-%
0	Asia Electronic Material Co., Ltd.	AMMON TEC INVESTMENT CORP.	1	Other receivables	258	150 days after next monthly closing	0.01%
1	BESTTRADE CO., LTD.	KUNSHAN APLUS TEC. CORPORATION	3	Accounts receivable	83,876	150 days after next monthly closing	3.02%
1	BESTTRADE CO., LTD.	DONGTAI APLUS TECHNOLOGY CO., LTD.	3	Other receivables	74,049	150 days after next monthly closing	2.67%
2	KUNSHAN APLUS TEC. CORPORATION	DONGTAI APLUS TECHNOLOGY CO., LTD.	3	Sales	108,587	150 days after next monthly closing	7.04%
2	KUNSHAN APLUS TEC. CORPORATION	DONGTAI APLUS TECHNOLOGY CO., LTD.	3	Purchase	189,702	150 days after next monthly closing	12.30%
2	KUNSHAN APLUS TEC. CORPORATION	DONGTAI APLUS TECHNOLOGY CO., LTD.	3	Accounts receivable	305,273	150 days after next monthly closing	10.99%
2	KUNSHAN APLUS TEC. CORPORATION	DONGTAI APLUS TECHNOLOGY CO., LTD.	3	Other receivables	159,629	150 days after next monthly closing	5.75%
2	KUNSHAN APLUS TEC. CORPORATION	DONGTAI APLUS TECHNOLOGY CO., LTD.	3	Accounts payable	130,837	150 days after next monthly closing	4.71%

Note 1: Transaction information between Parent company and its subsidiaries should be disclosed by codes below:

(1) Parent company is coded "0".

(2) The subsidiaries are coded from "1" in the order presented in the table above.

Note 2: Relationship are divided into the following three types and the types are required to be indicated:

(1) From the parent company to a subsidiary.

(2) From a subsidiary to the parent company.

(3) Between subsidiaries.

Note 3: Regarding the percentage of transaction amount to consolidated operating revenues or total assets, it is computed based on the ending balance to consolidated total assets for balance sheet items;

and based on interim accumulated amount to consolidated net revenue for income statement items.