

Ampacs Corporation

Parent Company Financial Statements for the  
Years Ended December 31, 2024 and 2023 and  
Independent Auditors' Report

Address: 3F., No.19-3, Sanchong Rd., Nangang  
Dist., Taipei City 115601, TAIWAN  
Telephone: (02)2655-2798

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
AMPACS Corporation

### **Opinion**

We have audited the accompanying parent company only financial statements of AMPACS Corporation , which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income or loss, parent company only statements of changes in equity and parent company only statements of cash flows for the years then ended, and the notes to the parent company only financial statements, including material accounting policies information (collectively referred to as the “parent company only financial statements”).

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

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and 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 Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of

the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the parent company only financial statements for the year ended December 31, 2024 is described as follows:

#### The Occurrence of Sales Revenue

The sales revenue of the Ampacs Corporation mainly comes from consumer electronics products and plastic components used in network communication products, and its changes mainly come from certain clients and products. Because certain sales revenue has a significant impact on financial performance, the occurrence of sales revenue from certain clients and products of AMPACS Group is considered as a key audit matter of the Group's consolidated financial statements for the year ended December 31, 2024.

Our audit procedures performed in respect of the above key audit matter included the following:

1. We obtained an understanding of the internal control systems and operating procedures related to sales transaction processes, evaluated the design and implementation of relevant internal controls and performed internal control testing to obtain sufficient and appropriate audit evidence on the effectiveness of relevant control implementation.
2. We determined the appropriate methods of sampling and sample sizes, audited external and internal vouchers to support the fact of shipments, and we confirmed the actual occurrence of certain sales revenue transactions.
3. We inspected the cash receipt records and vouchers. We evaluated the amounts entered into the accounts and confirmed that the recipients of the remittances were consistent with the recipients of the shipments to prove the occurrence of the sales transaction.

#### **Other Matter**

We did not audit the financial statements of Ability Technologies Co., Ltd., an associate included in the parent company only financial statements, but such statements were audited by other auditors. Our opinion, insofar as it relates to the investments accounted for using the equity method, is based solely on the reports of other auditors. The investments accounted for using the equity method were NT\$0 thousand as of December 31, 2023, representing 0% of the total assets. The Group's share of profit of associate accounted for using the equity method was NT\$(2,383) thousand for the year then ended, representing 3.76% of the total comprehensive income and loss.

#### **Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for

such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements**

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2024, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chun-Yu Wang and Ming-Hsien Liu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 12, 2025

Notice to Readers

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

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

# AMPACS CORPORATION

## PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash (Notes 4 and 6)	\$ 115,136	2	\$ 86,384	2
Financial assets at amortized cost (Notes 4, 9 and 28)	397,740	6	333,433	5
Trade receivables, net (Notes 4, 10 and 28)	959,129	14	967,389	15
Trade receivables from related parties (Note 27)	238,592	4	64,857	1
Other receivables from related parties (Note 27)	440,005	6	386,692	6
Inventories, net (Notes 4 and 12)	-	-	5,357	-
Prepayments (Note 27)	920,571	14	925,900	15
Non-current assets held for sale (Notes 4 and 11)	-	-	13,020	-
Total current assets	<u>3,071,173</u>	<u>46</u>	<u>2,783,032</u>	<u>44</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	32,790	-	30,710	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	306,724	5	255,361	4
Investments accounted for using the equity method (Notes 4 and 13)	1,953,445	29	1,836,113	29
Property, plant and equipment, net (Notes 4, 14 and 28)	1,300,278	19	1,309,367	21
Investment properties, net (Notes 4 and 15)	56,672	1	57,898	1
Intangible assets, net (Notes 4 and 16)	2,931	-	3,930	-
Deferred tax assets (Notes 4 and 23)	20,930	-	43,485	1
Other non-current assets	442	-	383	-
Total non-current assets	<u>3,674,212</u>	<u>54</u>	<u>3,537,247</u>	<u>56</u>
<b>TOTAL</b>	<u>\$ 6,745,385</u>	<u>100</u>	<u>\$ 6,320,279</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Notes 4 and 17)	\$ 2,102,641	31	\$ 2,119,411	33
Short-term bills payable (Notes 4 and 17)	250,000	4	250,000	4
Trade payables	357,045	5	204,794	3
Trade payables to related parties (Note 27)	102,857	2	118,153	2
Other payables (Note 18)	59,786	1	45,277	1
Current tax liabilities (Notes 4 and 23)	95,106	1	100,452	2
Current portion of long-term borrowings (Notes 4 and 17)	99,128	1	91,484	1
Other current liabilities (Note 27)	42,210	1	35,556	1
Total current liabilities	<u>3,108,773</u>	<u>46</u>	<u>2,965,127</u>	<u>47</u>
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings (Notes 4 and 17)	687,225	10	689,829	11
Deferred tax liabilities (Notes 4 and 23)	4,689	-	-	-
Guarantee deposits	2,771	-	2,771	-
Total non-current liabilities	<u>694,685</u>	<u>10</u>	<u>692,600</u>	<u>11</u>
Total liabilities	<u>3,803,458</u>	<u>56</u>	<u>3,657,727</u>	<u>58</u>
<b>EQUITY (Note 20)</b>				
Ordinary shares	<u>1,500,000</u>	<u>22</u>	<u>1,500,000</u>	<u>24</u>
Capital surplus	<u>981,881</u>	<u>15</u>	<u>1,044,837</u>	<u>16</u>
Retained earnings				
Legal reserve	182,782	3	182,782	3
Special reserve	200,638	3	144,026	2
Unappropriated earnings	414,069	6	176,839	3
Total retained earnings	<u>797,489</u>	<u>12</u>	<u>503,647</u>	<u>8</u>
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(142,141)	(2)	(172,611)	(3)

Unrealized loss of financial assets at fair value through other comprehensive	(10,008)	-	(27,872)	-
Equity directly associated with non-current assets held for sale	<u>-</u>	<u>-</u>	<u>(155)</u>	<u>-</u>
Total other equity	<u>(152,149)</u>	<u>(2)</u>	<u>(200,638)</u>	<u>(3)</u>
Treasury shares	<u>(185,294)</u>	<u>(3)</u>	<u>(185,294)</u>	<u>(3)</u>
Total equity	<u>2,941,927</u>	<u>44</u>	<u>2,662,552</u>	<u>42</u>
TOTAL	<u>\$ 6,745,385</u>	<u>100</u>	<u>\$ 6,320,279</u>	<u>100</u>

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

(With Deloitte & Touche audit report dated March 12, 2025)

**AMPACS CORPORATION**  
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
**(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 21 and 27)	\$ 6,741,958	100	\$ 3,774,424	100
OPERATING COSTS (Notes 12 and 27)	<u>(6,039,043)</u>	<u>(90)</u>	<u>(3,477,289)</u>	<u>(92)</u>
GROSS PROFIT	<u>702,915</u>	<u>10</u>	<u>297,135</u>	<u>8</u>
OPERATING EXPENSES (Note 22)				
Selling and marketing expenses	(54,148)	(1)	(49,040)	(1)
General and administrative expenses	(104,630)	(1)	(87,223)	(3)
Research and development expenses	(140,407)	(2)	(115,999)	(3)
Expected credit (loss)/ gain (Note 10)	<u>(3,298)</u>	<u>-</u>	<u>315</u>	<u>-</u>
Total operating expenses	<u>(302,483)</u>	<u>(4)</u>	<u>(251,947)</u>	<u>(7)</u>
OPERATING PROFIT	<u>400,432</u>	<u>6</u>	<u>45,188</u>	<u>1</u>
NON-OPERATING INCOME AND EXPENSES (Note 22)				
Other income	26,777	-	21,196	1
Other gains or losses	42,383	-	33,219	1
Finance costs	(149,995)	(2)	(121,273)	(3)
Share of profit of subsidiaries, associates and joint ventures	<u>55,770</u>	<u>1</u>	<u>20,175</u>	<u>-</u>
Total non-operating income and expenses	<u>(25,065)</u>	<u>(1)</u>	<u>(46,683)</u>	<u>(1)</u>
PROFIT (LOSS) BEFORE INCOME TAX	375,367	5	(1,495)	-
INCOME TAX EXPENSE (Notes 4 and 23)	<u>(65,641)</u>	<u>(1)</u>	<u>(5,322)</u>	<u>-</u>
NET PROFIT (LOSS) FOR THE YEAR	<u>309,726</u>	<u>4</u>	<u>(6,817)</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 20)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	<u>19,871</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

# AMPACS CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	\$ 49,646	1	\$ (57,385)	(2)
Unrealized (loss)/gain on investments in debt instruments at fair value through other comprehensive income	(2,007)	-	338	-
Exchange differences on the translation of financial statements of affiliated companies and joint venture foreign operating institutions	-	-	435	-
Income tax related to items that may be reclassified subsequently to profit or loss	<u>(19,176)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>48,334</u>	<u>1</u>	<u>(56,612)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	<u>\$ 358,060</u>	<u>5</u>	<u>\$ (63,429)</u>	<u>(2)</u>
EARNINGS (LOSS) PER SHARE (NEW TAIWAN DOLLARS) (Note 24)				
Basic	<u>\$ 2.10</u>		<u>\$ (0.05)</u>	
Diluted	<u>\$ 2.10</u>		<u>\$ (0.05)</u>	

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

(With Deloitte & Touche audit report dated March 12, 2025)

(Concluded)

# AMPACS CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Capital Stock (Note 20)		Capital Surplus (Note 20)	Retained Earnings (Note 20)			Other Equity (Note 20)	Treasury Stock (Note 20)	Total Equity
	Share (In Thousands)	Amount		Legal Reserve	Special Surplus Reserve	Retained Earnings			
BALANCE AT JANUARY 1, 2023	150,000	\$ 1,500,000	\$ 1,097,937	\$ 175,449	\$ 191,736	\$ 163,929	\$ (144,026)	\$ (185,294)	\$ 2,799,731
Appropriation of the 2022 earnings									
Legal reserve	-	-	-	7,333	-	(7,333)	-	-	-
Cash dividends distributed by the Company - \$0.14 per share	-	-	-	-	-	(20,650)	-	-	(20,650)
Special reserve	-	-	-	-	(47,710)	47,710	-	-	-
Other changes in capital surplus									
Issuance of cash dividends from capital surplus - \$0.36 per share	-	-	(53,100)	-	-	-	-	-	(53,100)
Net loss for the year ended December 31, 2023	-	-	-	-	-	(6,817)	-	-	(6,817)
Other comprehensive loss for the year ended December 31, 2023, net of income tax	-	-	-	-	-	-	(56,612)	-	(56,612)
Total comprehensive loss for the year ended December 31, 2023	-	-	-	-	-	(6,817)	(56,612)	-	(63,429)
BALANCE AT DECEMBER 31, 2023	150,000	1,500,000	1,044,837	182,782	144,026	176,839	(200,638)	(185,294)	2,662,552
Appropriation of the 2023 earnings									
Special reserve	-	-	-	-	56,612	(56,612)	-	-	-
Cash dividends distributed by the Company - \$0.09 per share	-	-	-	-	-	(13,275)	-	-	(13,275)
Disposal of Non-current Assets Held for Sale	-	-	-	-	-	-	155	-	155
Actual acquisition of interests in subsidiaries	-	-	(2,481)	-	-	(2,609)	-	-	(5,090)
Other changes in capital surplus:									
Issuance of cash dividends from capital surplus - \$0.41 per share	-	-	(60,475)	-	-	-	-	-	(60,475)

Net profit for the year ended December 31, 2024	-	-	-	-	-	309,726	-	-	309,726
Other comprehensive income for the year ended December 31, 2024, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,334</u>	<u>-</u>	<u>48,334</u>
Total comprehensive income for the year ended December 31, 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>309,726</u>	<u>48,334</u>	<u>-</u>	<u>358,060</u>
BALANCE AT DECEMBER 31, 2024	<u>150,000</u>	<u>\$ 1,500,000</u>	<u>\$ 981,881</u>	<u>\$ 182,782</u>	<u>\$ 200,638</u>	<u>\$ 414,069</u>	<u>\$ (152,149)</u>	<u>\$ (185,294)</u>	<u>\$ 2,941,927</u>

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

(With Deloitte & Touche audit report dated March 12, 2025)

# AMPACS CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income (loss) before income tax	\$ 375,367	\$ (1,495)
Adjustments for reconciliation of profit (loss):		
Depreciation expenses	12,780	14,777
Amortization expenses	1,854	3,052
Expected credit loss recognized/(reversed) on trade receivables	3,298	(315)
Finance costs	149,995	121,273
Interest income	(8,203)	(5,605)
Share of profit of subsidiaries, associates and joint ventures	(55,770)	(20,175)
Gain on disposal of associate	(6,825)	-
Write-down of inventories	2,394	-
Net (gain)/loss on foreign currency exchange	(19,983)	17,223
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	-	(32,017)
Trade receivables	64,314	(131,647)
Trade receivables - related parties	(168,243)	(29,750)
Other receivables	-	319
Other receivable - related parties	(52,498)	90,871
Inventories	2,963	9,370
Prepayments	5,329	652,007
Other current assets	-	3,500
Trade payable	152,251	(25,498)
Trade payable - related parties	(21,178)	111,890
Other payable	6,424	(8,380)
Other current liabilities	<u>6,654</u>	<u>12,605</u>
Cash generated from operations	450,923	782,005
Interests received	8,203	5,605
Financial cost paid	(153,294)	(117,211)
Income taxes paid	<u>(62,919)</u>	<u>(52,955)</u>
Net cash generated from operating activities	<u>242,913</u>	<u>617,444</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		

Purchase of financial assets at fair value through other comprehensive income	(15,761)	(265,340)
Purchase of financial assets at amortized cost	(64,307)	-
Proceeds from sale of financial assets at amortized cost	-	25,175
Acquisition of investments accounted for using the equity method	(16,354)	(624,803)
Net cash inflow on disposal of associate	20,000	-
Payments of property, plant and equipment	(2,465)	(149)
Increase in refundable deposits	(369)	-
Payments of intangible assets	(855)	(1,419)
Decrease in prepayments for equipment	<u>310</u>	<u>-</u>
Net cash used in investing activities	<u>(79,801)</u>	<u>(866,536)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	\$ -	\$ 410,692
Repayment of short-term borrowings	(5,650)	-
Proceeds from short-term bills payable	-	150,000
Proceeds from long-term borrowings	49,000	150,000
Repayment of long-term borrowings	(103,960)	(379,825)
Refund of guarantee deposits received	-	(803)
Payments of cash dividends	<u>(73,750)</u>	<u>(73,750)</u>
Net cash (used in)/generated from financing activities	<u>(134,360)</u>	<u>256,314</u>
NET INCREASE IN CASH	28,752	7,222
CASH AT THE BEGINNING OF YEAR	<u>86,384</u>	<u>79,162</u>
CASH AT THE END OF THE YEAR	<u>\$ 115,136</u>	<u>\$ 86,384</u>

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

(With Deloitte & Touche audit report dated March 12, 2025)

(Concluded)

Ampacs Corporation  
Notes to Financial Statements

For The Years Ended December 31, 2024 and 2023

(Unless otherwise indicated, amounts are expressed in thousands of New Taiwan Dollars.)

1. Company History

Ampacs Corporation (hereinafter referred to as "the Company") was established in July 1998, primarily engaged in the design and manufacture of plastic components and earphone products for consumer electronics. The Company's stock has been listed on the Taiwan Stock Exchange since December 14, 2020.

The financial statements of the Company are presented in New Taiwan dollars, which is the functional currency of the Company.

2. Date and procedure of approval of the financial report

The individual financial report was approved by the board of directors on March 12, 2025.

3. Application of Newly Issued or Revised Accounting Standards and Interpretations

- (1) The initial adoption of International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), Interpretations (IFRICs), and Standing Interpretations Committee (SICs) endorsed and issued by the Financial Supervisory Commission (FSC) (referred to as "IFRS Accounting Standards").

The application of revised IFRS Accounting Standard approved that become effective will not result in significant changes to the Company's accounting policies.

- (2) IFRS Accounting Standard Approved by the FSC Applicable in 2025

**New, Amended and Revised Standards and  
Interpretations**

**Effective Date  
Announced by IASB**

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Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 2)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025. An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

As of the date the parent only financial statements were authorized for issue, the Company has assessed that the application of other standards and interpretations will not have a material impact on the Company’s financial position and financial performance.

(3) The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB (Note)</b>
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Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

#### IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar

characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the parent only financial statements were authorized for issue, the Company is continuously assessing the other impacts of the above amended standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### 4. Summary of Significant Accounting Policies

##### (1) Compliance Statement

This parent company only financial report is prepared in accordance with Regulations Governing Preparation of Financial Reports by Securities Issuers.

##### (2) Preparation Foundation

Except for financial instruments measured at fair value, the individual financial statements of the entity are prepared on a historical cost basis.

Fair value measurement is classified into Level 1 to Level 3 according to the observability and significance of relevant inputs:

1. The input values of the first level refer to the quoted prices for identical assets or liabilities in active markets on the measurement date (without adjustment).

2. Level 2 input value: the observable input value of an asset or liability, either directly (that is, price) or indirectly (that is, derived from price), other than a Level 1 offered price.

3. Level 3 input value: the unobservable input value of an asset or liability.

The Company applies the equity method in accounting for investments in subsidiaries or joint ventures when preparing its individual financial statements. To ensure that the profit or loss, other comprehensive income and equity for the current year presented in the individual financial statements are the same as those presented in the consolidated financial statements attributed to the owners of the Company, certain accounting treatment differences between the individual basis and consolidated basis are adjusted for "investments accounted for using the equity method," "share of profit or loss from subsidiaries, associated enterprises, and joint ventures accounted for using the equity method," "other comprehensive income from subsidiaries, associated enterprises, and joint ventures accounted for using the equity method" and related equity items.

(3) Classification of Assets and Liabilities as Current or Non-current.

Current assets include:

1. Assets held primarily for trading purposes;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash (excluding that which is restricted for exchange or settlement of liabilities beyond 12 months after the balance sheet date).

Current Liability includes:

1. Primarily held for the purpose of trading;
2. Liabilities due for settlement within 12 months after the balance sheet date.
3. Liabilities that cannot be unconditionally postponed beyond 12 months after the balance sheet date.

Non-current assets or liabilities are classified as such if they do not meet the criteria for current assets or liabilities mentioned above.

#### (4) Foreign Currency

When the Company conducts transactions in currencies other than its functional currency, the transactions are recorded in the functional currency using the exchange rate on the transaction date.

Foreign currency monetary items are translated into the functional currency using the closing exchange rate on each balance sheet date. Exchange differences arising from settlement of foreign currency monetary items or translation of foreign currency monetary items are recognized in profit or loss in the year in which they arise.

Foreign currency non-monetary items that are measured at fair value are translated into the functional currency using the exchange rate on the date when the fair value was determined. The exchange differences arising from this translation are recognized in profit or loss in the year in which they arise, except for those recognized in other comprehensive income as part of the fair value gain or loss.

Foreign currency non-monetary items that are measured at historical cost are translated into the functional currency using the exchange rate on the transaction date and are not re-measured.

In preparing the financial statements of the individual entity, the assets and liabilities of foreign operating entities (including subsidiaries operating in countries or using currencies different from the Company) are translated into New Taiwan Dollars at the exchange rates on each balance sheet date. The items of revenue and expenses are translated at the average exchange rates for the year, and the resulting exchange differences are recorded in other comprehensive income (allocated to the Company's owners and non-controlling interests separately).

#### (5) Inventories

Inventories consist of merchandise inventory. Inventories are measured at the lower of cost and net realizable value. When comparing cost and net realizable value, individual items are assessed, and net realizable value refers to the estimated selling price under normal conditions, less the estimated

cost of completion and the estimated costs necessary to make the sale. The cost of inventories is determined using the weighted average method.

#### (6) Investment in Subsidiaries

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

A subsidiary is an individual controlled by the Company.

Under the Equity Method, the original cost recognition invested in shall be based on the profit and loss of the subsidiaries and other comprehensive income shares and profit distribution enjoyed by the Company. In addition, changes in the Company's other subsidiary interests are recognized according to the shareholding ratio.

Where the change of ownership interest of the Company in the subsidiary does not result in the loss of control, it is treated as an equity transaction. The difference between the carrying amount of the investment and the fair value of the consideration paid or received shall be directly recognized as equity.

When the Company's share of losses in a subsidiary equals or exceeds its equity investment, the losses are continued to be recognized based on the proportion of shareholding.

If the cost of investment exceeds the identifiable net assets' fair value of the subsidiary attributable to the business acquired by the Company at the acquisition date, the excess amount is recognized as goodwill. This goodwill is included in the investment's carrying amount and is not amortized. If the identifiable net assets' fair value exceeds the cost of investment, the excess amount is recognized as income for the current year.

When assessing impairment, the Company considers the overall financial report and compares the cash generating units' recoverable amount with their carrying amount. Subsequently, if the recoverable amount of an asset increases, the recovery of the impairment loss shall be recognized as an advantage, provided that the carrying amount of the asset recovered from the impairment loss shall not exceed the carrying amount of the asset to be

amortized if the impairment loss is not recognized. Impairment loss attributable to goodwill may not be reversed during subsequent periods.

When control over a subsidiary is lost, the remaining investment in the former subsidiary is premeasured at its fair value at the date when control is lost, and any difference between the fair value of the remaining investment and the carrying amount of the investment on the date control is lost, as well as any proceeds from the disposal of the investment, is recognized in the income statement for the current period. Furthermore, any amounts recognized in other comprehensive income related to the subsidiary are accounted for on the same basis as required for the disposal of assets or liabilities directly related to the Company.

The unrealized gain or loss of the downstream transactions between the Company and its subsidiaries are eliminated in the individual financial reports. The gains and losses arising from the countercurrent and side current transactions between the Company and its subsidiaries shall be recognized in the individual financial report only to the extent not related to the Company's equity in the subsidiaries.

#### (7) Investments in Associates and Joint Ventures

Associates refer to enterprises in which the Company has significant influence but are not subsidiaries or joint ventures. Joint ventures refer to agreements between the Company and other parties for the joint control of net assets.

The Company uses the equity method for investments in associates and joint ventures.

Under the equity method, investments in associates and joint ventures are initially recognized at cost, and subsequently adjusted for the Company's share of gains and losses, as well as other comprehensive income and profit distributions from the associates and joint ventures. Furthermore, changes in the equity of associated companies and joint ventures are recognized based on the percentage of ownership.

When the acquisition cost exceeds the identifiable net assets of associated companies and joint ventures, the excess is recognized as goodwill, which is included in the carrying amount of the investment and cannot be amortized. If the identifiable net assets of associated companies and joint ventures exceed the acquisition cost, the excess is recognized in the current period's profit or loss.

If the company does not subscribe to newly issued shares of associated companies and joint ventures based on its percentage of ownership, resulting in a change in ownership interest and a corresponding change in the carrying amount of the investment, the change is adjusted against the capital reserve, the change in ownership interest, and the investment accounted for using the equity method. However, if the company does not subscribe to or acquire shares based on its percentage of ownership, resulting in a reduction in its ownership interest in associated companies and joint ventures, the amount recognized in other comprehensive income related to the associated companies and joint ventures is reclassified based on the decrease in proportion. The accounting treatment is based on the same principles as when associated companies and joint ventures directly dispose of related assets or liabilities. If the adjustment requires a debit to the capital reserve and the balance of the capital reserve resulting from the investment accounted for using the equity method is insufficient, the difference is debited to retained earnings.

When the company's share of losses in an associated company or joint venture equals or exceeds its equity (including the carrying amount of investments in associated companies or joint ventures under the equity method and other long-term equity components that essentially form part of the company's net investment in the associated company or joint venture), no further losses shall be recognized. The company recognizes additional losses and liabilities only within the scope of statutory obligations, presumed obligations, or payments made on behalf of associated companies or joint ventures.

When assessing impairment, the company regards the entire carrying amount of the investment (including goodwill) as a single asset and compares the recoverable amount to the carrying amount in conducting an impairment test. Any impairment loss recognized is not allocated to any asset forming part of the carrying amount of the investment, including goodwill. Any reversal of the impairment loss shall be recognized within the subsequent increase in the recoverable amount of the investment.

From the date when the company no longer applies the equity method to an associated company or joint venture, the company measures any remaining interest in the associated company or joint venture at fair value, and the difference between the fair value and the carrying amount of the investment as of the date when the equity method is no longer applied, as well as the disposal proceeds, is recognized in profit or loss for the current period. In addition, the basis for accounting for all amounts related to associated companies or joint ventures recognized in other comprehensive income is the same as the basis that must be followed when directly disposing of assets or liabilities related to associated companies or joint ventures. If the investment in an associate becomes an investment in a joint venture or vice versa, the Company will continue to apply the equity method and will not reassess the carrying amount of the retained interest.

The gains and losses arising from upstream, downstream, and lateral transactions between the Company and its associates and joint ventures will only be recognized in the individual financial statements to the extent that they are not related to the Company's interests in the associates and joint ventures.

#### (8) Real Estate, Plant and Equipment

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

Depreciation is recognized on a straight-line basis over the estimated useful lives of the assets, except for freehold land, and is allocated to each

significant part of an asset separately. The Company shall, at least on the terminal date of each fiscal year, examine the estimated useful life, residual cost and depreciation method and defer the impact of changes in the applicable accounting estimates.

When real estate, factories, and equipment are disposed of, the difference between the net proceeds and the book value of the asset shall be recognized in the income statement.

#### (9) Investment Real Estate

Investment properties are real estate (including right-of-use assets that meet the definition of investment properties) held for the purpose of earning rental income or capital appreciation, or both. Investment properties also include land held for future use, the intended use of which has not yet been determined.

Investment properties owned by the company are initially measured at cost (including transaction costs) and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation for investment properties is calculated on a straight-line basis.

Real estate that was previously classified as property, plant and equipment or as right-of-use assets are transferred to investment properties at the carrying amount when it ceases to be used by the company.

When investment properties are disposed of, the difference between the net proceeds and the carrying amount of the asset shall be recognized in the income statement.

#### (10) Intangible Assets

##### 1. Individually acquired

Intangible assets with limited useful lives acquired individually are initially measured at cost, and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight-line basis over their useful lives, the Company shall, at least on the terminal date of each fiscal year,

examine the estimated useful life, residual cost and amortization method and defer the impact of changes in the applicable accounting estimates.

## 2. Disposal

When intangible assets are disposed of, the difference between the net disposal proceeds and the carrying amount of the assets is recognized in profit or loss for the year.

### (11) Impairment of Property, Plant and Equipment, Investment Property and Intangible Assets

The Company assesses at each reporting date whether there is any indication that property, plant and equipment, investment property, and intangible assets may be impaired. If any indicator of impairment exists, then the recoverable amount of the asset is estimated. Where it is impossible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

The recoverable amount is the higher of the fair value less costs to sell and its use value. If the recoverable amount of an individual asset or cash generating unit is lower than its carrying amount, the carrying amount of the asset or cash generating unit shall be reduced to its recoverable amount, and the impairment loss shall be recognized as gain or loss.

When an impairment loss is reversed in a subsequent period, the carrying amount of the asset or cash-generating unit is increased to its revised recoverable amount, but not exceeding the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized in previous years. The reversal of impairment loss is recognized in the statement of income.

### (12) Non-Current Assets Held for Sale

Non-current assets are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Assets classified as held for sale must be available

for immediate sale in their current condition, and the sale must be highly probable. When the appropriate level of management commits to a plan to sell the asset, and the sale is expected to be completed within one year from the date of classification, it is considered highly probable.

When the committed sale plan involves disposing of all or part of an investment in an associate or joint venture, only the equity interests that meet the criteria for classification as held for sale are reclassified as held for sale, and the equity method is discontinued for that portion.

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

### (13) Financial Instrument

Financial assets and financial liabilities are recognized on the individual balance sheet when the Company becomes a party to the terms of the instrument.

In the initial recognition of financial assets and financial liabilities, if the financial assets or financial liabilities are not measured at fair value through gain or loss, they are directly attributable to the transaction cost measurement of acquiring or issuing financial assets or financial liabilities at fair value. The transaction cost of a financial asset or financial liability that is directly attributable to the acquisition or issuance of a financial asset or financial liability at fair value through profit or loss is immediately recognized as gain or loss.

#### 1. Financial Assets

The customary transactions of financial assets are recognized and derecognized on the accounting date of the transaction.

#### (1) Measurement Type

The types of financial assets held by the Company include financial assets measured at fair value through profit or loss, financial assets measured at amortized cost, debt instrument investments measured at fair value through other comprehensive

income, and equity instrument investments measured at fair value through other comprehensive income.

#### A. Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss include financial assets at fair value through profit or loss on a mandatory basis and financial assets designated as at fair value through profit or loss. Financial assets subject to mandatory fair value measurement through profit and loss include equity instrument investments not designated to be measured at fair value through other comprehensive income, and debt instrument investments not subject to classification as measured at amortized cost or to be measured at fair value through other comprehensive income.

Financial assets measured at fair value through profit or loss are measured at fair value. For the determination of the fair value, please refer to Note 26.

#### B. Financial Assets Measured at Amortized Cost

If the Company's investment financial assets meet the following two conditions simultaneously, they are classified as financial assets measured by amortized cost:

- a. It is held under a business model whose objective is to hold the financial asset in order to collect contractual cash flows; and
- b. The terms of the contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.

After initial recognition, financial assets measured at amortized cost (including cash, receivables measured at amortized cost, and other receivables (including related parties)) are measured at the amortized cost using the effective interest

method less any impairment losses. Any foreign exchange gains or losses are recognized in profit or loss.

Except for the following two situations, interest income is calculated as the product of the effective interest rate and the total carrying amount of financial assets:

- a. For the purchased or originated credit-impaired financial asset, the interest income is calculated by multiplying the credit-adjusted effective interest rate by the cost of amortization of financial assets.
- b. For financial assets that are not purchased or originated with credit impairments, but subsequently become credit-impaired, interest income shall be calculated by multiplying the amortized cost of the financial asset by the effective interest rate from the next reporting period after the credit impairment.

Credit-impaired financial assets refer to financial assets whose issuers or debtors have experienced significant financial difficulties, default, are likely to file for bankruptcy or other financial restructuring, or whose active market for financial assets has disappeared due to financial difficulties.

- C. Debt instruments measured at fair value through other comprehensive income in the financial statements.

If the company's debt instrument investments meet the following two conditions at the same time, they shall be classified as financial assets measured at fair value through other comprehensive income:

- a. The financial assets are held under a business model where the objective is to generate cash flows from collecting contractual cash flows and selling the financial assets; and

b. The terms of the contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.

Investments in debt instruments measured at fair value through other comprehensive income are measured at fair value, and changes in their carrying amount including interest income computed using the effective interest method, foreign exchange gains or losses, impairment losses or reversals thereof, are recognized in profit or loss, while other changes are recognized in other comprehensive income. Upon disposal of the investments, amounts previously recognized in other comprehensive income are reclassified to profit or loss.

D. Measured at Fair Value Through Other Comprehensive Income for the Equity Instrument Investment

At the time of the original recognition, the Company may make an irrevocable choice to invest in an equity instrument that is not held for trading and is not recognized as a consideration by a business combination acquirer, specifying that it be measured at fair value through other comprehensive income.

The equity instrument investment measured by other comprehensive income at fair value is measured by fair value, and subsequent changes in fair value are reported to other comprehensive income and accumulated in other equities. In the case of investment disposal, accumulated gains and losses are transferred directly to retained earnings and are not reclassified as gains and losses.

A share invested in an equity instrument at fair value through other comprehensive income shall be recognized in the gains or losses at the time of establishment of the right to collect

money of the Company, unless the dividend clearly represents a recovery of part of the investment cost.

## (2) Impairment of Financial Assets

The Company recognizes impairment losses on financial assets (including accounts receivable) measured at amortized cost and debt instruments measured at fair value through other comprehensive income based on expected credit losses evaluated at each balance sheet date.

Allowance for impairment losses is recognized on accounts receivable based on the expected credit losses over their respective periods of existence. For other financial assets, the Company first assesses whether there has been a significant increase in credit risk since initial recognition. If there has not been a significant increase, the Company recognizes allowance for impairment losses based on 12-month expected credit losses. If there has been a significant increase, the Company recognizes allowance for impairment losses based on the expected credit losses over the respective periods of existence.

Expected credit losses are weighted average credit losses based on the risk of default. 12-month expected credit losses are the expected credit losses arising from the default of the financial instrument within 12 months after the reporting date. The expected credit losses during the term of duration represents the expected credit losses caused by all possible defaults of the financial instrument during the period of the expected duration.

For the purpose of internal credit risk management, and without considering the collateral held, the Company determines that a financial asset has defaulted under the following circumstances:

- A. There is internal or external information indicating that the debtor is unlikely to repay the debt.

B. The debt is overdue by more than one year, unless there is reasonable and verifiable information indicating that the criteria for delayed default are more appropriate.

The impairment loss for all financial assets is reduced by adjusting their carrying amount through the provision account. However, the provision for impairment loss on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and does not reduce their carrying amount.

### (3) Disposal of Financial Assets

The Company only derecognizes financial assets when the rights to receive cash flows from the financial asset have expired or the Company has transferred the financial asset and has transferred substantially all risks and rewards of ownership to another entity.

When financial assets measured at amortized cost are derecognized as a whole, any difference between the carrying amount and the consideration received is recognized in profit or loss. When equity investments measured at fair value through other comprehensive income are derecognized as a whole, any difference between the carrying amount and the consideration received, plus any cumulative gain or loss previously recognized in other comprehensive income, is recognized in profit or loss.

## 2. Equity Instruments

Debt and equity instruments issued by the Company are classified as financial liabilities or equity instruments in accordance with the substance of the contractual agreement and the definitions of financial liabilities and equity instruments.

The equity instruments issued by the Company shall be recognized on the basis of the proceeds obtained after deducting the direct distribution cost.

Treasury shares held by the Company are recognized in equity and deducted from equity, and their carrying amount is calculated on a weighted average basis by type of share. Purchase, sale, issuance, or cancellation of the Company's own equity instruments are not recognized in the income statement.

### 3. Financial Liabilities

#### (1) Subsequent Measure

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

#### (2) Derecognition of Financial Liabilities

When financial liabilities are derecognized, the difference between the carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the income statement.

#### (14) Liabilities for provisions

The amount recognized as a liability reserve is the best estimate of the expenditure required to meet the obligation at the balance sheet date, taking into account the risk and uncertainty of the settlement obligation. Liability reserve is measured by the discounted present value of the estimated cash flow of the settlement obligation.

The warranty obligation for guaranteed products that meet the agreed specifications is recognized at the time of revenue recognition based on the best estimate of the expenditure required to settle the Company's obligations.

#### (15) Revenue Recognition

After identifying the performance obligation of the customer contract, the Company will allocate the transaction price to each performance obligation, and recognize the revenue when each performance obligation is met.

#### Sale Income

Revenue from sales of goods is generated from the sale of products. As the customer has established a price and the right to use the product upon

delivery to the specified location, and bears the primary responsibility of resale and the risk of obsolescence, the company recognizes revenue and accounts receivable at that point in time.

#### (16) Leases

At the contract inception date, the Company evaluates whether the contract is or contains a lease.

##### 1. The Company is a Lessor

If a lease transfers substantially all of the risks and rewards of ownership of an asset to the lessee, it is classified as a finance lease. All other leases are classified as operating leases. All other leases are classified as operating leases.

The initial direct costs incurred to acquire an operating lease are capitalized to the carrying amount of the underlying asset and recognized as expenses on a straight-line basis over the lease term. The direct incremental costs incurred in obtaining an operating lease are added to the carrying amount of the leased asset, and recognized as expenses on a straight-line basis over the lease term.

##### 2. The Company as a lessee

Lease payments for leases of low-value assets and short-term leases that qualify for recognition exemptions are recognized as expenses on a straight-line basis over the lease term.

#### (17) Borrowing costs

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

#### (18) Government Grants

Government grants are recognized only when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received.

Government grants related to revenue are recognized as other income on a systematic basis over the periods in which the related costs for which the grant is intended to compensate are recognized as expenses. °

If a government grant is used to compensate for expenses or losses that have already occurred or to provide immediate financial assistance to the Company without any future related costs, it should be recognized in the period in which it is receivable in the income statement.

#### (19) Employee Benefits

##### 1. Short-Term Employee Benefits

The related liabilities for short-term employee benefits are measured at the non-discounted amount expected to be paid in exchange for employee services.

##### 2. Benefits After Retirement

The determined amount of retirement benefits to be provided under the retirement plan should be recognized as expenses during the period in which the employees provide services.

#### (20) Income Taxes

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

##### 1. Current Income Tax

The company determines current income based on tax regulations and calculates the income tax payable accordingly.

The income tax surcharge calculated in accordance with the Taiwan Income Tax Act on the undistributed earnings is recognized annually upon resolution by the shareholders' meeting.

Adjustment for prior-year income tax payable has been included in the current year income tax.

##### 2. Deferred income tax

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

Deferred income tax liabilities are generally recognized for all temporary differences that are taxable, while deferred income tax assets are recognized when it is probable that there will be taxable income

available against which the temporary differences and tax loss can be offset.

Taxable temporary differences relating to investment subsidiaries are recognized as deferred income tax liabilities, except where the Company can control the point at which the temporary difference reverses and where it is likely that the temporary difference will not reverse in the foreseeable future. The deductible temporary difference relating to such investment shall be recognized as a deferred income tax asset only to the extent that it is likely to have sufficient taxable income to realize the temporary difference and to the extent that it is expected to reverse in the foreseeable future.

The carrying amount of the deferred income tax assets shall be re-examined on each balance sheet date and reduced in respect of those assets for which there is no longer likely to be sufficient tax to recover all or part of the assets. Where deferred income tax assets are not previously recognized as assets, they are also re-examined on each balance sheet date and there is a high probability of future taxation to allow them to recover all or part of their assets and to increase their carrying amounts.

Deferred income tax assets and liabilities are measured by the tax rate of expected settlement of liabilities or realization of assets in the current period. The tax rate is based on the tax rate and tax law enacted or substantially enacted on the balance sheet date. The deferred income tax liabilities and assets measurement is to reflect the tax consequences of the way the Company is expected to recover or repay the carrying amount of its assets and liabilities on the balance sheet date.

### 3. Current and Deferred Income Taxes

Current and deferred income tax are recognized in profit or loss, except for items related to current and deferred income tax that are recognized in other comprehensive income or directly in equity, in

which case the current and deferred income tax are separately recognized in other comprehensive income or directly in equity.

5. Critical accounting judgments, estimates and key sources of assumption uncertainty

When adopting accounting policies, the management of the Company must make judgments, estimates and assumptions based on historical experience and other relevant factors for items that are not readily obtainable from other sources. Actual results may differ from these estimates.

Based on the assessment of the Company's management, the accounting policies, estimates, and assumptions adopted by the Company has not been subject to material accounting judgements, estimates and assumptions uncertainty.

6. Cash

	December 31, 2024	December 31, 2023
Cash in Treasury	\$ 200	\$ 200
Bank checks and demand deposits.	<u>114,936</u>	<u>86,184</u>
	<u>\$ 115,136</u>	<u>\$ 86,384</u>

Interest rate range of bank deposits as of the balance sheet date:

	December 31, 2024	December 31, 2023
Bank deposit	0.00%-1.10%	0.00%-1.45%

7. Financial Instruments at Fair Value Through Profit or Loss

	December 31, 2024	December 31, 2023
<u>Financial Assets - Non-Current</u> Equity Instruments Mandatorily Measured at Fair Value Through Profit or Loss		
Other Financial Assets	<u>\$ 32,790</u>	<u>\$ 30,710</u>

When the Company acquires a financial asset containing stock options, the Company recognizes the contract in its entirety as a financial asset at fair value through profit or loss at the time of original recognition.

8. Financial Assets Measured at Fair Value Through Other Consolidated Profit or Loss

	December 31, 2024	December 31, 2023
<u>Non-Current</u>		
Investment of Equity Instrument	\$ 282,191	\$ 245,680
Debt Securities Investment	<u>24,533</u>	<u>9,681</u>
	<u>\$ 306,724</u>	<u>\$ 255,361</u>

(1) Investment of Equity Instrument

	December 31, 2024	December 31, 2023
<u>Non-Current</u>		
Foreign TWSE-Listed (OTC-Listed) Stocks	\$ 257,862	\$ 257,862
Valuation Adjustment	<u>24,329</u>	<u>( 12,182)</u>
	<u>\$ 282,191</u>	<u>\$ 245,680</u>

The Company invests in the above investments in foreign equity instruments for medium- to long-term strategic purposes and expects to realize profits from these investments over the long term. In the opinion of the management of the Company, if the short-term fair value fluctuations of the investment are included in the gain or loss, it is not consistent with the foregoing permanent investment plan. Therefore, the management of the merged company chooses to designate the investment as measured by the fair value through other comprehensive income.

(2) Debt Securities Investment

	<u>December 31</u>	
	2024	2023
<u>Non-current</u>		
Foreign investments		

Corporate bonds - Ford Motor Company (1)	\$ 3,648	\$ 3,522
Corporate bonds - Pfizer Inc. (2)	6,364	6,159
Corporate bonds - Apple Inc. (3)	<u>14,521</u>	<u>-</u>
	<u>\$ 24,533</u>	<u>\$ 9,681</u>

- 1) In February 2021, the Group bought 26-year corporate bonds issued by Ford Motor Company with a coupon rate of 5.291% and an effective interest rate of 4.70%.
- 2) In August 2023, the Group bought 10-year corporate bonds issued by Pfizer Inc. with a coupon rate of 4.75% and an effective interest rate of 4.63%.
- 3) In September 2024, the Group bought 30-year corporate bonds issued by Apple Inc. with a coupon rate of 4.38% and an effective interest rate of 4.45%.

#### 9. Financial assets measured at amortized cost

	December 31, 2024	December 31, 2023
<u>Current</u>		
Pledged Demand Deposit	\$ 224,526	\$ 180,045
Pledged Time Deposit	153,214	133,388
Pledged Bonds with Repurchase	<u>20,000</u>	<u>20,000</u>
	<u>\$ 397,740</u>	<u>\$ 333,433</u>

Information on financial assets pledged at amortized cost is disclosed in Note 28.

#### 10. Net Accounts Receivable

	December 31, 2024	December 31, 2023
<u>Accounts Receivable</u>		
Measured at Amortized Cost		
Total Carrying Amount	\$ 962,462	\$ 967,389
Loss Allowance	<u>( 3,333 )</u>	<u>-</u>
	<u>\$ 959,129</u>	<u>\$ 967,389</u>

To mitigate credit risk, the management of the Company has assigned a dedicated team to make decisions on credit limits, credit approvals, and other monitoring procedures to ensure that appropriate actions have been taken for the recovery of overdue receivables. In addition, as of the balance sheet date,

the Company has conducted a review of the recoverable amount of each receivable to ensure that adequate impairment losses have been provided for any unrecoverable receivables. Based on this, the management of the Company believes that the credit risk of the Company has significantly decreased.

The Company recognizes the provision for credit losses on accounts receivable based on the expected credit losses over the life of the receivables. The expected credit losses over the life of the receivables are determined by considering the customer's past default history and current financial condition, as well as the industry and economic situation. Since the Company's historical credit loss experience shows no significant difference in loss patterns among different customer groups, the Company did not further classify customer groups and only determined the expected credit loss rate based on the number of days the accounts receivable is past due.

If there is evidence that the counterparty is facing severe financial difficulties and the Company is unable to reasonably estimate the recoverable amount, the Company will fully provide for the allowance for doubtful accounts, but will continue its collection efforts, and the amount recovered will be recognized in profit or loss.

The aging analysis of accounts receivable is as follows:

	December 31, 2024	December 31, 2023
Within 30 days	\$ 945,990	\$ 943,749
31-120 days	12,779	18,874
121-240 days	21	4,206
241-360 days	339	560
Over 360 days	3,333	-
	<u>\$ 962,462</u>	<u>\$ 967,389</u>

The above is an aging analysis based on overdue days.

Changes in the allowance for loss for accounts receivables:

	2024	2023
Year Beginning Balance	\$ -	\$ 284
Add: Net remeasurement of loss allowance	3,298	-

	<u>2024</u>	<u>2023</u>
Less: Net remeasurement of loss allowance	-	( 315)
Foreign Currency Translation	<u>35</u>	<u>31</u>
Year End Balance	<u>\$ 3,333</u>	<u>\$ -</u>

Please refer to Note 26(5) for information on the amounts and terms of the company's sold and assigned receivables.

The company has also pledged some of its receivables as collateral for borrowings, please refer to Note 28.

#### 11. Non-Current Assets Held for Sale - Net Amount

	<u>Dec. 31, 2024</u>	<u>Dec. 31, 2023</u>
Non-Current Assets Held for Sale	<u>\$ -</u>	<u>\$ 13,020</u>

The Company's investment in Ability Enterprise CO LTD is in an unlisted company with low liquidity of its stock. On December 27, 2023, the Company entered into a share purchase agreement with other shareholders (the buyer) of the company, agreeing to repurchase 2,000,000 shares of Ability Technology CO LTD held by the Company and complete the delivery by June 2024. Therefore, the investment accounted for using the equity method is reclassified as non-current assets held for sale. The Company completed the share transfer on June 28, 2024.

#### 12. Inventory - Net Amount

	<u>Dec. 31, 2024</u>	<u>Dec. 31, 2023</u>
Commodities	<u>\$ -</u>	<u>\$ 5,357</u>

The nature of cost of goods sold is as follows:

	<u>2024</u>	<u>2023</u>
Operating costs related to inventory	\$ 6,036,649	\$ 3,477,289
Write-down and obsolescence loss (reversal)	<u>2,394</u>	<u>-</u>
	<u>\$ 6,039,043</u>	<u>\$ 3,477,289</u>

#### 13. Investments Accounted for Using Equity Method

	<u>Dec. 31, 2024</u>	<u>Dec. 31, 2023</u>
Investments in Subsidiaries	<u>\$ 1,953,445</u>	<u>\$ 1,836,113</u>

(1) Investment in subsidiaries

	<u>Dec. 31, 2024</u>	<u>Dec. 31, 2023</u>
Tech. Pioneer, Ltd.	\$ 765,635	\$ 833,322
Ampacs International Company Limited	1,176,709	1,002,791
Vogten Import Export Trading Co., Ltd	<u>11,101</u>	<u>-</u>
	<u>\$ 1,953,445</u>	<u>\$ 1,836,113</u>

S u b s i d i a r y N a m e	Percentage of Ownership Interests and V o t i n g R i g h t s	
	<u>Dec. 31, 2024</u>	<u>Dec. 31, 2023</u>
Tech. Pioneer, Ltd. (1)	100%	100%
Ampacs International Company Limited (1) & (2)	100%	100%
Vogten Import Export Trading Co., Ltd (1) & (3)	100%	-

Note 1: The share of profit or loss and other comprehensive income of subsidiaries accounted for using the equity method for the years 2024 and 2023 are recognized based on the audited financial reports of those companies for the same periods.

Note 2: On December 29, 2022, the Company's board of directors resolved to increase its capital in the subsidiary Ampacs International Company Limited in the amount of US\$20,000 thousand, and the Company's shareholding increased to 100% after the acquisition. As of December 31, 2023, the capital increase funds have been fully paid.

Note 3: The company established Vogten Import Export Trading Co., Ltd in the second quarter of 2024. As of December 31, 2024, the Company has paid US\$500 thousand for the investment.

(2) Individually insignificant associated companies and joint ventures

The Company reclassified its investment in Ability Technology CO LTD, accounted for using the equity method, as non-current assets held for sale as of December 31, 2023. Please refer to Note 11 for details.

The investments accounted for using the equity method, and the Company's share of their profit or loss and other comprehensive income are recognized based on the audited financial statements for the same period.

Summary Information on Individually Immaterial Affiliated Companies and Joint Ventures

	<u>Dec. 31, 2024</u>	<u>Dec. 31, 2023</u>
Share Enjoyed by the Company		
Net Loss for the Current Year	\$ -	( 2,383)
Other Comprehensive Profit and Loss	<u>-</u>	<u>435</u>
Total Comprehensive Profit and Loss	<u>\$ -</u>	<u>(\$ 1,948)</u>

14. Property, Plant and Equipment - Net Amount

	<u>Land</u>	<u>Buildings and Structures</u>	<u>Office Equipment</u>	<u>Machinery Equipment</u>	<u>Test Equipment</u>	<u>Other Equipment</u>	<u>Total</u>
<u>Cost</u>							
Balance as of January 1, 2024	\$ 1,206,525	\$ 88,241	\$ 12,139	\$ 446	\$ 52,804	\$ 12,300	\$ 1,372,455
Add	-	-	1,998	-	467	-	2,465
Balance as of December 31, 2024	<u>\$ 1,206,525</u>	<u>\$ 88,241</u>	<u>\$ 14,137</u>	<u>\$ 446</u>	<u>\$ 53,271</u>	<u>\$ 12,300</u>	<u>\$ 1,374,920</u>
<u>Accumulated Depreciation</u>							
Balance as of January 1, 2024	\$ -	\$ 7,934	\$ 11,605	\$ 402	\$ 133,170	\$ 9,977	\$ 63,088
Depreciation Expenses	-	1,764	865	37	7,595	1,293	11,554
Balance as of December 31, 2024	<u>\$ -</u>	<u>\$ 9,698</u>	<u>\$ 12,470</u>	<u>\$ 439</u>	<u>\$ 40,765</u>	<u>\$ 11,270</u>	<u>\$ 74,642</u>
Net at December 31, 2024	<u>\$ 1,206,525</u>	<u>\$ 78,543</u>	<u>\$ 1,667</u>	<u>\$ 7</u>	<u>\$ 12,506</u>	<u>\$ 1,030</u>	<u>\$ 1,300,278</u>
<u>Cost</u>							
Balance as of January 1, 2023	\$ 1,206,525	\$ 88,241	\$ 13,506	\$ 446	\$ 52,804	\$ 12,288	\$ 1,373,810
Add	-	-	47	-	-	102	149
Disposal	-	-	( 1,414 )	-	-	( 90 )	( 1,504 )
December 31, 2023 Balance	<u>\$ 1,206,525</u>	<u>\$ 88,241</u>	<u>\$ 12,139</u>	<u>\$ 446</u>	<u>\$ 52,804</u>	<u>\$ 12,300</u>	<u>\$ 1,372,455</u>
<u>Accumulated Depreciation</u>							
Balance as of January 1, 2023	\$ -	\$ 6,170	\$ 11,444	\$ 365	\$ 24,600	\$ 8,463	\$ 51,042
Depreciation Expenses	-	1,764	1,575	37	8,570	1,604	13,550
Disposal	-	-	( 1,414 )	-	-	( 90 )	( 1,504 )
December 31, 2023 Balance	<u>\$ -</u>	<u>\$ 7,934</u>	<u>\$ 11,605</u>	<u>\$ 402</u>	<u>\$ 33,170</u>	<u>\$ 9,977</u>	<u>\$ 63,088</u>
Net Amount as of December 31, 2023	<u>\$ 1,206,525</u>	<u>\$ 80,307</u>	<u>\$ 534</u>	<u>\$ 44</u>	<u>\$ 19,634</u>	<u>\$ 2,323</u>	<u>\$ 1,309,367</u>

Depreciation expenses are recognized on a straight-line basis over the following useful lives:

Buildings and Structures 50 years

Office Equipment	2 - 6 years
Machinery Equipment	3 - 5 years
Test Equipment	3 - 10 years
Other Equipment	3 to 5 Years

Refer to Note 28 for the amount of real estate, plant, and equipment set as collateral for borrowings.

#### 15. Investment Real Estate

	<u>Investment Real Estate</u>
<u>Cost</u>	
Balance as of January 1, 2024	\$ 61,321
Add	<u>-</u>
December 31, 2024 Balance	<u>\$ 61,321</u>
 <u>Accumulated Depreciation</u>	
Balance as of January 1, 2024	\$ 3,423
Depreciation Expenses	<u>1,226</u>
December 31, 2024 Balance	<u>\$ 4,649</u>
 Net Amount as of December 31, 2024	 <u>\$ 56,672</u>
 <u>Cost</u>	
Balance as of January 1, 2023	\$ 61,321
Add	<u>-</u>
December 31, 2023 Balance	<u>\$ 61,321</u>
 <u>Accumulated Depreciation</u>	
Balance as of January 1, 2023	\$ 2,196
Depreciation Expenses	<u>1,227</u>
December 31, 2023 Balance	<u>\$ 3,423</u>
 Net Amount as of December 31, 2023	 <u>\$ 57,898</u>

The investment properties are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	50 years
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The fair value of investment properties located in the Taipei area that the Company holds has not been assessed by independent appraisers. The

assessment of their fair values is based on market evidence of transactions for similar properties and is provided by the management of the Company. The fair values obtained are as follows:

	<u>Dec. 31, 2024</u>	<u>Dec. 31, 2023</u>
Fair Value	<u>\$365,527</u>	<u>\$432,045</u>

Note 28 of the financial statements contains the amount of investment properties that have been designated as collateral for borrowings.

#### 16. Intangible Assets - Net Amount

	<u>Patent</u>	<u>Trademarks</u>	<u>Cost of computer software</u>	<u>Total</u>
<u>Cost</u>				
Balance as of January 1, 2024	\$ 885	\$ 327	\$ 18,202	\$ 19,414
Acquisition	<u>-</u>	<u>34</u>	<u>821</u>	<u>855</u>
Balance as of December 31, 2024	<u>\$ 885</u>	<u>\$ 361</u>	<u>\$ 19,023</u>	<u>\$ 20,269</u>
<u>Accumulated Amortization</u>				
Balance as of January 1, 2024	\$ 250	\$ 297	\$ 14,937	\$ 15,484
Amortization	<u>55</u>	<u>20</u>	<u>1,779</u>	<u>1,854</u>
Balance as of December 31, 2024	<u>\$ 305</u>	<u>\$ 317</u>	<u>\$ 16,716</u>	<u>\$ 17,338</u>
Net at December 31, 2024	<u>\$ 580</u>	<u>\$ 44</u>	<u>\$ 2,307</u>	<u>\$ 2,931</u>
<u>Cost</u>				
Balance as of January 1, 2023	\$ 2,326	\$ 520	\$ 22,187	\$ 25,033
Acquisition	-	-	1,419	1,419
Disposal	<u>( 1,441 )</u>	<u>( 193 )</u>	<u>( 5,404 )</u>	<u>( 7,038 )</u>
December 31, 2023 Balance	<u>\$ 885</u>	<u>\$ 327</u>	<u>\$ 18,202</u>	<u>\$ 19,414</u>
<u>Accumulated Amortization</u>				
Balance as of January 1, 2023	\$ 1,635	\$ 466	\$ 17,369	\$ 19,470
Amortization	56	24	2,972	3,052
Disposal	<u>( 1,441 )</u>	<u>( 193 )</u>	<u>( 5,404 )</u>	<u>( 7,038 )</u>

	Patent	Trademarks	Cost of computer software	Total
December 31, 2023				
Balance	<u>\$ 250</u>	<u>\$ 297</u>	<u>\$ 14,937</u>	<u>\$ 15,484</u>
Net Amount as of				
December 31, 2023	<u>\$ 635</u>	<u>\$ 30</u>	<u>\$ 3,265</u>	<u>\$ 3,930</u>

Depreciation expenses are recognized on a straight-line basis and calculated based on the following estimated useful lives:

Patent	2 to 19 Years
Trademarks	10 Years
Cost of Computer Software	3 to 6 Years

Amortization expenses are aggregated by function:

	Year 2024	Year 2023
Research and Development		
Expenses	\$ 1,310	\$ 2,809
Administration Expenses	<u>544</u>	<u>243</u>
	<u>\$ 1,854</u>	<u>\$ 3,052</u>

## 17. Loans

### (1) Short-Term Loan

	December 31, 2024	December 31, 2023
Secured Loans (Note 28)		
Bank Warranty Loan	\$ 1,263,088	\$ 1,211,664
Receivables-Backed Loans	<u>435,530</u>	<u>445,314</u>
	<u>1,698,618</u>	<u>1,656,978</u>
<u>Unsecured Loans</u>		
Bank Loans	<u>404,023</u>	<u>462,433</u>
	<u>\$ 2,102,641</u>	<u>\$ 2,119,411</u>
Interest Rate Collars	<u>0.50%~6.92%</u>	<u>2.00%~7.30%</u>

### (2) Short-Term Notes Payable

	December 31, 2024	December 31, 2023
Commercial Paper Payable	<u>\$ 250,000</u>	<u>\$ 250,000</u>

Interest Rate Collars	<u>1.80%~2.90%</u>	<u>1.56%~2.73%</u>
(3) Long-term borrowings		
	December 31, 2024	December 31, 2023
Secured Loans (Note 28)		
Bank Warranty Loan	\$ 731,239	\$ 743,813
Less: Portion due within 1 year	( <u>69,380</u> )	( <u>61,484</u> )
	<u>661,859</u>	<u>682,329</u>
<u>Unsecured Loans</u>		
Credit Loan	55,114	37,500
Less: Portion due within 1 year	( <u>29,748</u> )	( <u>30,000</u> )
	<u>25,366</u>	<u>7,500</u>
	<u>\$ 687,225</u>	<u>\$ 689,829</u>
Interest Rate Collars	<u>2.12%~2.51%</u>	<u>2.05%~2.35%</u>

#### 18. Other Payables

	December 31, 2024	December 31, 2023
Accrued Salaries and Bonuses	\$ 27,462	\$ 20,913
Interest Payable	9,169	12,468
Labor Fees Payable	3,677	3,563
Others (Note)	<u>19,478</u>	<u>8,333</u>
	<u>\$ 59,786</u>	<u>\$ 45,277</u>

Note: Other expenses are mainly sample fees, miscellaneous purchase and transportation costs.

#### 19. Benefits After Retirement Plan

The retirement scheme adopted by the Company is governed by the Labor Retirement Pension Act, which is a government-managed defined contribution retirement plan. Retirement funds are allocated at a rate of 6% of employees' monthly salaries and deposited into individual accounts with the Labor Insurance Bureau.

## 20. Equity

### (1) Capital Stock

#### Common Stock

	December 31, 2024	December 31, 2023
Authorized Stock Number (1,000 shares)	<u>500,000</u>	<u>500,000</u>
Authorized Capital Stock	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Number of Shares Issued and Fully Paid (1,000 shares)	<u>150,000</u>	<u>150,000</u>
Issued Capital	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>

### (2) Capital Surplus

	December 31, 2024	December 31, 2023
May be used to cover losses, release cash or replenish share capital (1)		
Share issuance premium	\$ 978,700	\$ 1,039,175
Differences between actual acquisition or disposal price of subsidiary shares and their book values.		2,481
Repurchase Stock Trading	<u>801</u>	<u>801</u>
	<u>979,501</u>	<u>1,042,457</u>
<u>It Can Only Be Used to</u> <u>Cover Losses</u>		
Number of Changes in Ownership Interests Recognized in Subsidiaries (2)	<u>2,380</u>	<u>2,380</u>
	<u>\$ 981,881</u>	<u>\$ 1,044,837</u>

- Such capital surplus may be used to offset losses and, when the company has no losses, it may be used for cash distribution or capitalization, subject to a certain percentage of the paid-up capital when capitalizing.
- The impact of equity transactions related to changes in subsidiary equity is recognized in this capital surplus when the Company does not actually acquire or dispose of subsidiary equity.

### (3) Retained Earnings and Dividend Policy

In accordance with the Company's articles of incorporation, when there is a surplus in the annual financial statements, an estimate should be made for the provision of taxes and donations, offsetting losses as required by law, allocation to legal reserve funds, and the allocation or reversal of special reserve funds according to relevant laws and regulations. For the distribution of surplus in cash, it shall be determined by the Board of Directors. When distribution is made through the issuance of new shares, it shall be resolved by the shareholders' meeting as stipulated.

For the Company's policies on employee and director remuneration distribution, please refer to Note 22(6) Employee and Director Remuneration Explanation.

The appropriated as legal capital reserve shall be set aside until the balance reaches the total paid-up capital stock of the company. The appropriated as legal capital reserve may be used to cover deficiencies. When the legal reserve fund exceeds 25% of the total paid-up capital and there are no losses, the excess amount may be distributed in cash in addition to capitalization.

When allocating to the special reserve fund from the net balance of other accumulated comprehensive income in previous periods, if the undistributed earnings from previous periods are insufficient for allocation, the amount will be allocated from the current year's retained earnings, including items other than the current year's net profit after tax, into the undistributed earnings of the current period.

The Company may distribute dividends in the form of cash dividends or stock dividends, but this decision must take into account factors such as the current and future investment environment, capital requirements, domestic and international competitive conditions, and capital budgeting. The Company also considers shareholder interests, balance dividends, and long-term financial and business planning. Each year, at least 10% of distributable profits may be allocated for shareholder dividends. However,

dividends may not be distributed if the accumulated distributable profits are less than 10% of the issued share capital. If the Company decides to distribute dividends to shareholders, the proportion of cash dividends distributed should not be less than 10% of the total dividend amount.

Earnings Distribution for the Years 2023 and 2022:

	<u>Earnings Distribution Plan</u>		<u>Dividends Per Share (NT\$)</u>	
	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2023</u>	<u>Year 2022</u>
Legal Surplus				
Reserve	\$ -	\$ 7,333	\$ -	\$ -
(Reversal)				
Appropriation				
to Special				
Retained				
Earnings	56,612	( 47,710)	-	-
Cash Dividends	13,275	20,650	0.09	0.14
Capital Surplus				
Distribution				
Cash Dividends	60,475	53,100	0.41	0.36

The cash dividends mentioned above were distributed on April 25, 2024 and April 27, 2023, respectively, as resolved by the Board of Directors. The remaining earnings distribution items were also resolved by the Shareholders' Meeting on June 21, 2024 and June 16, 2023.

As of the date of this Individual financial report, the Board of Directors has not yet proposed the earnings distribution plan for the year 2024.

(4) Special Surplus Reserve

	<u>Year 2024</u>	<u>Year 2023</u>
Year Beginning Balance	\$ 144,026	\$ 191,736
(Reversal) Appropriation to		
Special Retained Earnings	<u>56,612</u>	<u>( 47,710)</u>
Year End Balance	<u>\$ 200,638</u>	<u>\$ 144,026</u>

(5) Other Equity Items

- Exchange Differences on Conversion of the Financial Statements of Foreign Operation

	<u>Year 2024</u>	<u>Year 2023</u>
Year Beginning Balance	<u>(\$ 172,611)</u>	<u>(\$ 115,816)</u>

Produced in the Current Year		
Conversion		
Difference of Foreign Operations	30,470	( 57,385)
Share of Associates and Joint Ventures		
Accounted for Using the Equity Method	-	435
Reclassification Adjustment		
Reclassification Related to Equity Directly Associated With Non-current Assets Held for Sale	<u>-</u>	<u>155</u>
Other consolidated gains and losses for the year	<u>30,470</u>	<u>( 56,795)</u>
Year End Balance	<u>(\$ 142,141)</u>	<u>(\$ 172,611)</u>

2. Unrealized Gains (Losses) of Financial Assets Are Measured at Fair Value Through Other Comprehensive Income

	<u>Year 2024</u>	<u>Year 2023</u>
Year Beginning Balance	(\$ 27,872)	(\$ 28,210)
Recognized for the year		
Unrealized (loss) gain - debt instruments	(2,007)	338
Unrealized gain - equity instruments	<u>19,871</u>	<u>-</u>
Other Consolidated Gains and Losses for the Year	<u>17,864</u>	<u>338</u>
Year End Balance	<u>(\$ 10,008)</u>	<u>(\$ 27,872)</u>

3. Equities Directly Related to the Non-Current Assets Held for Sale

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ (155)	\$ -
Recognized for the year		
Exchange differences on translation of the financial statements of foreign operations	-	(155)
Reclassification adjustments		
Disposal of non-current assets held for sale	<u>155</u>	<u>-</u>
Balance at December 31	<u>\$ -</u>	<u>\$ (155)</u>

(6) Treasury Stock

	<u>2024</u>	<u>2023</u>
Year Beginning and the End Number of Shares (1000 Shares)	<u>2,500</u>	<u>2,500</u>

In August 2021, the company's Board of Directors approved the repurchase of treasury shares for the purpose of transferring them to employees.

The treasury shares held by the company are subject to regulations under the Securities and Exchange Act, which prohibit pledging and restrict the rights to receive dividends and exercise voting rights.

21. Revenue

	<u>Year 2024</u>	<u>Year 2023</u>
Customer contract revenue		
Consumer Electronics		
Products	\$ 6,545,876	\$ 3,523,530
Plastic Components	<u>196,082</u>	<u>250,894</u>
	<u>\$6,741,958</u>	<u>\$ 3,774,424</u>

22. Net Profit (Loss)

(1) Other Income

	<u>Year 2024</u>	<u>Year 2023</u>
Interest Revenue	\$ 8,203	\$ 5,605
Rental Revenue	<u>18,574</u>	<u>15,591</u>
	<u>\$ 26,777</u>	<u>\$ 21,196</u>

(2) Other Profits and Losses

	<u>Year 2024</u>	<u>Year 2023</u>
Net Foreign Exchange Profit	\$ 32,047	\$ 35,652
Depreciation Expense of Investment Properties	( 1,226)	( 1,227)
Disposal of investments accounted for using the equity method	6,825	-
Others	<u>4,737</u>	<u>( 1,206)</u>
	<u>\$ 42,383</u>	<u>\$ 33,219</u>

(3) Finance costs

	<u>Year 2024</u>	<u>Year 2023</u>
Interest expenses of bank borrowings	\$ 144,035	\$ 117,305
Pledge Receivables Handling Fee	<u>5,960</u>	<u>3,968</u>
	<u>\$ 149,995</u>	<u>\$ 121,273</u>

(4) Depreciation and Amortization

	<u>Year 2024</u>	<u>Year 2023</u>
Depreciation Expenses Are Summarized by Function		
Operating Expenses	\$ 11,554	\$ 13,550
Other Profits and Losses	<u>1,226</u>	<u>1,227</u>
	<u>\$ 12,780</u>	<u>\$ 14,777</u>
Amortization Expenses Summarized by Functional Category in Operating Expenses		
Operating Expenses	<u>\$ 1,854</u>	<u>\$ 3,052</u>

(5) Employee Benefits Expenses

	<u>Year 2024</u>	<u>Year 2023</u>
Short-Term Employee Benefits	\$ 203,627	\$ 164,659
Benefits After Retirement Defined Contribution Plan	8,281	6,862
Other Employee Benefits	<u>3,986</u>	<u>2,221</u>
Total Employee Benefits Expenses	<u>\$ 215,894</u>	<u>\$ 173,742</u>

Functional Consolidation:		
Operating Expenses	<u>\$ 215,894</u>	<u>\$ 173,742</u>

(6) Employee and Director Remuneration

In accordance with the company's articles of incorporation, the company is required to allocate a portion of the pre-tax income, excluding employee and director compensation, for the payment of employee compensation, which shall not be less than 1%, and director compensation, which shall not exceed 3%. However, in the event of accumulated losses, they shall be offset first.

The remuneration of directors and supervisors, which were approved by the Company's board of directors on March 12, 2025, the compensation of employees is a proposed amount pending approval by the Company's board of directors. The provision ratio and amounts are as follows for the year ended December 31, 2024:

Accrual rate

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Compensation of employees	1%	-
Remuneration of directors and supervisors	1%	-

Amount

	<b>For the Year Ended December 31</b>			
	<b>2024</b>		<b>2023</b>	
	<b>Cash</b>	<b>Shares</b>	<b>Cash</b>	<b>Shares</b>
Compensation of employees	\$ 3,830	\$ -	\$ -	\$ -
Remuneration of directors	3,830	-	-	-

The Company did not estimate and allocate compensation of employees and remuneration of directors for the year ended December 31, 2023 because of the net loss.

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the year ended December 31, 2022.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

### 23. Income Tax

(1) The main components of income tax expense recognized in profit or loss

	<u>Year 2024</u>	<u>Year 2023</u>
Current Income Tax		
Generated During the		
Year	\$ 55,880	\$ -
Surtax on		
Undistributed Retained		
Earnings	-	4,575
Income Tax		
Adjustments for Previous		
Years	1,693	5,081
Deferred Income Tax		
Generated During the		
Year	8,039	( 4,334)
Adjustments for prior		
year	<u>29</u>	<u>-</u>
Income Tax Expenses		
Recognized in Gain or		
Loss	<u>\$ 65,641</u>	<u>\$ 5,322</u>

The adjustment between profit (loss) before tax and income tax expense is as follows:

	<u>Year 2024</u>	<u>Year 2023</u>
Net Profit (Loss) Before Tax	<u>\$ 375,367</u>	<u>(\$ 1,495)</u>
Income Tax (Interest) Expense Calculated at Statutory Tax Rate for Net Profit Before Tax	\$ 75,073	(\$ 299)
Surtax on Undistributed Retained Earnings	-	4,575
Temporary differences may be deducted if not recognized	( 11,154)	( 4,035)
Income Tax Adjustments for Previous Years	<u>1,722</u>	<u>5,081</u>
Income Tax Expenses Recognized in Gain or Loss	<u>\$ 65,641</u>	<u>\$ 5,322</u>

(2) Income tax recognized in other comprehensive income

	<b>For the Year Ended December 31</b>	
	<u>2024</u>	<u>2023</u>
<u>Deferred tax</u>		
In respect of the current year		
Exchange differences on translation of foreign operations	<u>\$ 19,176</u>	<u>\$ -</u>
Total income tax recognized in other comprehensive income	<u>\$ 19,176</u>	<u>\$ -</u>

(3) Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2024

	Year Beginning Balance	Recognized in Profit or Loss	Recognized in Other Consolidated Profit or Loss	Year End Balance
<u>Deferred Income Tax Assets</u>				
<u>Temporary Differences</u>				
Unrealized Exchange Loss	\$ 1,174	(\$ 1,174)	\$ -	\$ -
Provision for short-term liabilities for warranty	5,060	( 696)	-	4,364
Investments Accounted for Using the Equity Method	34,928	-	( 19,176)	( 15,752)
Asset Impairment Losses	22	-	-	22
Allowance for loss on impairment of inventories	-	478	-	478
Non-Leave Bonus	<u>314</u>	<u>-</u>	<u>-</u>	<u>314</u>
	41,498	( 1,392)	( 19,176)	20,930
Deficiency Deduction	<u>1,987</u>	<u>( 1,987)</u>	<u>-</u>	<u>-</u>
	<u>\$ 43,485</u>	<u>(\$ 3,379)</u>	<u>(\$ 19,176)</u>	<u>\$ 20,930</u>

<u>Deferred Income Tax Liabilities</u>				
<u>Temporary Differences</u>				
Unrealized Exchange Loss	\$ -	\$ 4,689	\$ -	\$ 4,689

For the year ended December 31, 2023

	Year Beginning Balance	Recognized in Profit or Loss	Recognized in Other Consolidated Profit or Loss	Year End Balance
<u>Deferred Income Tax Assets</u>				
<u>Temporary Differences</u>				
Unrealized Exchange Loss	\$ 725	\$ 449	\$ -	\$ 1,174
Provision for short-term liabilities for warranty	3,162	1,898	-	5,060
Investments Accounted for Using the Equity Method	34,928	-	-	34,928
Asset Impairment Losses	22	-	-	22
Non-Leave Bonus	<u>314</u>	<u>-</u>	<u>-</u>	<u>314</u>
	39,151	2,347	-	41,498
Deficiency Deduction	<u>-</u>	<u>1,987</u>	<u>-</u>	<u>1,987</u>
	<u>\$ 39,151</u>	<u>\$ 4,334</u>	<u>\$ -</u>	<u>\$ 43,485</u>

(4) Income tax assessments

The income tax returns of the Company through 2022 have been assessed by the tax authorities.

**24. EARNINGS (LOSS) PER SHARE**

	<b>Unit: NT\$ Per Share</b>	
	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Basic earnings (loss) per share	<u>\$ 2.10</u>	<u>\$ (0.05)</u>
Diluted earnings (loss) per share	<u>\$ 2.10</u>	<u>\$ (0.05)</u>

The earnings (loss) and weighted average number of ordinary shares outstanding used in the computation of earnings (loss) per share are as follows:

**Net Profit (Loss) for the Year**

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Earnings (loss) used in the computation of basic and diluted earnings (loss) per share	<u>\$ 309,726</u>	<u>\$ (6,817)</u>

The weighted average number of ordinary shares outstanding (in thousands of shares) was as follows:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Weighted average number of ordinary shares used in the computation of basic earnings per share	147,500	147,500
Effect of potentially dilutive ordinary shares		
Compensation of employees	<u>91</u>	<u>-</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>147,591</u>	<u>147,500</u>

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per

share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year. Since the compensation of employees are anti-dilutive in the computation of diluted losses per share in 2023, they are excluded from the computation.

## 25. Capital Risk Management

The Company conducts capital management to ensure that the Company is able to make commitments prior to continuing operations by maximizing shareholder returns by optimizing debt and equity balances. There have been no material changes to the Company's overall strategy.

The Company is required to maintain capital to meet the needs of upgrading equipment. Therefore, the Company's capital management is to ensure that the necessary financial resources and operating plans are in place to meet the working capital, capital expenditure, research and development expenses, debt repayment and dividend expenses required for the next 12 months.

## 26. Financial Instrument

### (1) Measure the fair value of financial instruments at amortized cost

The Company's management considers that the carrying amount of financial assets and financial liabilities measured at amortized cost in these financial statements is approaching their fair value.

### (2) Fair value of financial instruments measured at fair value on a recurring basis

#### 1. Fair Value Hierarchy

December 31, 2024

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTPL				
Other financial assets	-	-	32,790	32,790
Financial assets at FVTOCI				
Foreign unlisted shares	\$ -	\$ -	\$ 282,191	\$ 282,191
Investments in debt instruments	24,533	-	-	24,533

	<u>\$ 24,533</u>	<u>\$ -</u>	<u>\$ 282,191</u>	<u>\$ 306,724</u>
<u>December 31, 2023</u>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTPL				
Other financial assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,710</u>	<u>\$ 30,710</u>
Financial assets at FVTOCI				
Foreign unlisted shares	\$ -	\$ -	\$ 245,680	\$ 245,680
Investments in debt instruments	<u>9,681</u>	<u>-</u>	<u>-</u>	<u>9,681</u>
	<u>\$ 9,681</u>	<u>\$ -</u>	<u>\$ 245,680</u>	<u>\$ 255,361</u>

There were no transfers between Levels 1 and 2 in 2024 and 2023.

2. Adjustment for financial instruments measured at Level 3 fair value.

December 31, 2024

Financial Assets	Measured at Fair Value Through Gain or Loss Equity Instrument	Financial Assets Measured at Fair Value Through Other Consolidated Profit or Loss Equity Instrument	Total
Year Beginning Balance	\$ 30,710	\$ 245,680	\$ 276,390-
Recognized in profit or loss (included in other gains and losses)	2,080	16,640	18,720
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on	<u>-</u>	<u>19,871</u>	<u>19,871</u>

financial assets at FVTOCI)			
Year End Balance	<u>\$ 32,790</u>	<u>\$ 282,191</u>	<u>\$ 314,981</u>

December 31, 2023

Financial Assets	<u>Financial Assets at FVTPL Equity Instruments</u>	<u>Financial Assets at FVTOCI Equity Instruments</u>	Total
Balance at January 1	\$ -	\$ -	\$ -
Increase in currently	32,017	257,862	289,879
Recognized in profit or loss (included in other gains and losses)	<u>(1,307)</u>	<u>(12,182)</u>	<u>(13,489)</u>
Balance at December 31	<u>\$ 30,710</u>	<u>\$ 245,680</u>	<u>\$ 276,390</u>

(3) Categories of Financial Instrument

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial Assets</u>		
Mandatorily Measured at Fair Value Through Gain or Loss	\$ 32,7900	\$ 30,710
Financial Assets Measured at Fair Value Through Other Consolidated Profit or Loss	306,724	255,361
Measured at Amortized Cost (Note 1)	2,151,044	1,838,828
<u>Financial Liabilities</u>		
Measured at Amortized Cost (Note 2)	3,661,453	3,521,719

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

Note 2: The balance includes short-term borrowings, accounts payable (including related parties), other payables, long-term borrowings

(including the portion due within one year), and deposits received measured at amortized cost.

(4) Valuation techniques and input values for Level 3 fair value measurement

The fair value of unlisted equity instruments is estimated based on the most recent trading price of the investee and the valuation multiplier of comparable companies, etc., and is not based on assumptions supported by prices or interest rates in an observable market. The remaining financial assets were based on the Group use counterparty quotations as evaluation techniques and significant unobservable input values to calculate the expected return from the investment.

(5) Financial Risk Management Objectives and Policies

The Company's primary financial instruments include accounts receivable, short-term notes payable, accounts payable, and long- and short-term borrowings. The financial management department of the Company provides services to the business units, coordinates the operation of the domestic and international financial market, and supervises and manages the financial risks related to the operation of the Company by analyzing the internal risk reports of the risks according to the degree and breadth of risks. These risks include market risk (including foreign exchange risk, interest rate risk, and other price risks), credit risk, and liquidity risk.

1. Market Risk

The main financial risks that the company is exposed to as a result of its operations are foreign exchange rate risk (as described in (1) below) and interest rate risk (as described in (2) below).

There have been no changes in the Company's exposure to market risk for financial instruments and how it manages and measures such exposure.

(1) Exchange Rate Risk

The company engages in sales and purchases denominated in foreign currencies, thereby exposing the company to foreign exchange rate fluctuations. The company's management regularly

monitors foreign exchange risk, and necessary measures will be considered to address significant exchange rate risks and manage the risks arising from foreign exchange fluctuations.

The amounts of monetary assets and monetary liabilities denominated in non-functional currencies as of the balance sheet date are disclosed in Note 29.

Sensitivity Analysis

The company is primarily affected by fluctuations in the USD exchange rate.

The following table provides a detailed sensitivity analysis of the company's response to a 1% increase or decrease in the exchange rate between the New Taiwan Dollar (functional currency) and the US Dollar. The sensitivity analysis includes only foreign currency monetary items, financial assets measured at fair value through profit or loss, equity and debt investment instruments measured at fair value through other comprehensive income. Positive figures in the table indicate the amount by which pretax profit will increase when the US dollar strengthens by 1% against the New Taiwan Dollar; negative figures represent the impact on pretax profit when the US dollar depreciates by 1% against the New Taiwan Dollar, with the impact being of the same magnitude.

	<u>Year 2024</u>	<u>Year 2023</u>
profit (loss)	<u>\$ 6,257</u>	<u>\$ 10,769</u>

(2) Interest Rate Risk

Due to the company's borrowing of funds at floating interest rates, interest rate exposure arises. The company manages interest rate risk by maintaining an appropriate portfolio of floating interest rates.

As of the balance sheet date, the financial assets and financial liabilities subject to interest rate exposure are as follows:

	December 31, 2024	December 31, 2023
Fair value interest rate risk		
Financial Assets	\$ 173,214	\$ 153,387
Financial Liabilities	250,000	250,000
Fair value with cash flow rate risk - financial assets		
Financial Assets	339,329	266,097
Financial Liabilities	2,888,994	2,900,724

### Sensitivity Analysis

The following sensitivity analyses are based on the interest rate exposures of derivative and non-derivative instruments at the balance sheet date. For floating rate liabilities, the analysis assumes that the outstanding liabilities on the balance sheet date remain outstanding throughout the reporting period. The management reports on interest rates to the key management personnel using a rate fluctuation of  $\pm 100$  basis points, which represents the assessed reasonable range of interest rate fluctuations by the management.

If the interest rates increase by 100 basis points, with all other variables held constant, the company's pre-tax income for the years 2024 and 2023 would decrease by NT\$25,497 thousand and NT\$26,346 thousand, respectively. Conversely, if the interest rates decrease by 100 basis points, the impact on pre-tax income would be the same amount but in negative. This is primarily due to the company's floating rate bank deposits and borrowings.

### (3) Other price risks.

The Company experiences equity price risk due to its investments in equity securities. The equity investments are held for strategic purposes rather than for trading, and the Company

does not actively trade these investments.

If equity prices were to rise/fall by 10%, the pre-tax other comprehensive income for the year 2024 and 2023 would increase/decrease by NT\$28,219 thousand and NT\$24,568 thousand due to the increase/decrease in the fair value of financial assets measured at fair value through other comprehensive income.

The company is exposed to price risk of debt instruments due to its investments in debt instruments. The primary objective of the company is to collect cash flows from bond instruments and evaluate their potential sale when necessary.

## 2. Credit Risk

Credit risk refers to the risk of the counterparty defaulting on contractual obligations, resulting in financial losses for the Company. As of the balance sheet date, the maximum credit risk exposure arising from counterparties' non-performance of obligations is primarily derived from the carrying amount of financial assets recognized on the balance sheet.

The Company's accounts receivable primarily consists of sales of wireless earphones, gaming earphones, and plastic products to various geographic regions. The Company continuously evaluates the financial condition of accounts receivable customers. The credit risk specific to different regions is primarily concentrated in the Americas and Asia.

## 3. Liquidity Risk

The company manages and maintains sufficient cash positions to support its operations and mitigate the impact of cash flow fluctuations. The management oversees the utilization of bank financing facilities and ensures compliance with loan agreement terms.

Bank loans are an important source of liquidity of the Company. See (2) below for a description of the Company unused financing as of 31 December 2024 and 2023.

(1) Liquidity and Interest Rate Risk of Non-Derivative Financial Liabilities Table

The analysis of the remaining contractual maturities of non-derivative financial liabilities is prepared based on the earliest possible repayment date for the Company, using undiscounted cash flows of financial liabilities (including principal and estimated interest). Therefore, bank borrowings that may be required to be repaid immediately are listed within the earliest period in the table, without considering the probability of the bank exercising that right immediately. Other non-derivative financial liabilities are analyzed based on their contractual repayment dates.

The undiscounted interest amounts for interest cash flows paid at floating interest rates are derived based on the yield curve at the balance sheet date.

December 31, 2024

	<u>Within 1 Year</u>	<u>1 - 5 years</u>	<u>Over 5 Years</u>
<u>Non-Derivative Financial Liabilities</u>			
Non-Interest-Bearing Liabilities	\$ 510,519	\$ -	\$ -
Fixed Interest Rates instrument	250,000	-	-
Floating rate instruments	<u>2,222,158</u>	<u>343,386</u>	<u>390,025</u>
	<u>\$ 2,982,677</u>	<u>\$ 343,386</u>	<u>\$ 390,025</u>

December 31, 2023

	<u>Within 1 Year</u>	<u>1 - 5 years</u>	<u>Over 5 Years</u>
<u>Non-Derivative Financial Liabilities</u>			
Non-Interest-Bearing Liabilities	\$ 355,756	\$ -	\$ -

Fixed Interest Rates instrument	250,000	-	-
Floating rate instruments	<u>2,233,759</u>	<u>295,595</u>	<u>447,718</u>
	<u>\$ 2,839,515</u>	<u>\$ 295,595</u>	<u>\$ 447,718</u>

The amounts of non-derivative financial assets and liabilities relating to floating-rate instruments mentioned above may vary due to differences between the floating interest rates and the estimated rates on the balance sheet date.

(2) Credit limit

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Unsecured bank borrowing lines		
- Amount spent	\$ 459,137	\$ 499,933
- Unspent amount	<u>332,713</u>	<u>274,652</u>
	<u>\$ 791,850</u>	<u>\$ 774,585</u>
Secured Bank Loan Line		
- Utilized Amount	\$ 2,679,857	\$ 2,650,791
- Unutilized Amount	<u>2,398,521</u>	<u>2,275,542</u>
	<u>\$ 5,078,378</u>	<u>\$ 4,926,333</u>

(6) Information on the Transfer of Financial Assets

The company entered into agreements with banks at the end of 2024 and 2023 to sell uncollected receivables, with amounts of NT\$648,906 thousand and NT\$512,266 thousand, respectively. The company also received related liabilities from the banks in the amounts of NT\$435,530 thousand and NT\$445,314 thousand. According to the contract, if the receivables cannot be collected upon maturity, the banks have the right to request the company to pay the outstanding balance. Therefore, the company has not transferred the significant risks and rewards associated with these receivables. The company continues to recognize all receivables and uses the transferred receivables as collateral for borrowings. Please refer to Note 28 for further details.

## 27. Related Party Transaction

Except as disclosed in other notes, the transactions between the Company and related parties are as follows:

### (1) Related Party Names and Relationships

<u>Name of Related Parties</u>	<u>Relationships with the Company</u>
Ampacs International Company Limited	Subsidiary
Brilliance Investment Development Ltd.	Subsidiary
Richmake International Limited	Subsidiary
Fortune Channel Universal Limited	Subsidiary
Dong Guan Yi Xin Electronics CO LTD	Subsidiary
Tech. Pioneer, Ltd.	Subsidiary
Dong Guan Han Lei Electronics Co., Ltd	Subsidiary
Vogten Import Export Trading Co., Ltd	Subsidiary

### (2) Operating Income

<u>Related Person Category/Name</u>	<u>Year 2024</u>	<u>Year 2023</u>
Subsidiary		
Tech. Pioneer, Ltd.	\$ 1,160,410	\$ 263,744
Other	<u>4,734</u>	<u>1,063</u>
	<u>\$ 1,165,144</u>	<u>\$ 264,807</u>

### (3) Purchase

<u>Related Person Category/Name</u>	<u>Year 2024</u>	<u>Year 2023</u>
Subsidiary		
Ampacs International Company Limited	\$ 5,811,337	\$ 2,923,055
Richmake International Limited	308,268	488,247
Fortune Channel Universal Limited	<u>188,860</u>	<u>239,254</u>
	<u>\$ 6,308,465</u>	<u>\$ 3,650,556</u>

The purchasing terms with related parties are determined through mutual negotiations, as there are no comparable transactions available for reference.

(4) Accounts Receivable

<u>Related Person Category/Name</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Subsidiary		
Tech. Pioneer, Ltd.	\$ 238,587	\$ 64,857
Other	<u>5</u>	<u>-</u>
	<u>\$ 238,592</u>	<u>\$ 64,857</u>

Outstanding receivables from related parties are not guaranteed. No allowance for doubtful accounts has been recognized for receivables from related parties for the years 2024 and 2023.

(5) Accounts payable

<u>Related Person Category/Name</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Subsidiary		
Fortune Channel Universal Limited	<u>\$ 102,857</u>	<u>\$ 118,153</u>

The balance of the amount payable to related parties in circulation is not guaranteed.

(6) Other receivables (excluding loans to related parties)

<u>Related Person Category/Name</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Subsidiary		
Ampacs International Company Limited	\$ 435,606	\$ 378,047
Other	<u>4,399</u>	<u>8,645</u>
	<u>\$ 440,005</u>	<u>\$ 386,692</u>

Other receivables are mainly purchases and advances on behalf of related parties.

(7) Prepayments for purchases

<u>Related Person Category/Name</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Subsidiary		
Ampacs International Company Limited	\$ 830,059	\$ 823,780
Richmake International Limited	<u>66,704</u>	<u>78,979</u>
	<u>\$ 896,763</u>	<u>\$ 902,759</u>

(8) Advance receipts (accounting for other current liabilities)

Related Person Category/Name	December 31, 2024	December 31, 2023
Subsidiary		
Brilliance Investment Development Ltd.	\$ -	\$ 299
Fortune Channel Universal Limited	<u>17,025</u>	<u>4,382</u>
	<u>\$ 17,025</u>	<u>\$ 4,681</u>

The advance payment is mainly the advance payment received from the related party for the purchase.

(9) Remuneration of key management

	Year 2024	Year 2023
Short-Term Employee Benefits	\$ 25,425	\$ 19,582
Benefits After Retirement	<u>349</u>	<u>322</u>
	<u>\$ 25,774</u>	<u>\$ 19,904</u>

The remuneration of directors and other key management levels shall be determined with individual performance and market trend.

28. Collateralized Asset

	December 31, 2024	December 31, 2023
Accounts Receivable	\$ 648,906	\$ 512,266
Real Estate, Plant, and Equipment	1,285,068	1,286,832
Pledged Bank Deposits (Financial Assets Measured at Amortized Cost)	377,740	313,433
Investment Real Estate	56,672	57,898
Pledged Bonds with Repurchase (Financial Assets Measured at Amortized Cost)	<u>20,000</u>	<u>20,000</u>
	<u>\$ 2,388,386</u>	<u>\$ 2,190,429</u>

29. Information on Foreign Currency Assets and Liabilities with Significant Influence

The following information is presented in summary form for foreign currencies other than the Company's functional currency, and the exchange

rates disclosed represent the rates at which such foreign currencies are translated into the functional currency. Foreign Currency Assets with Significant Influence Areas and Liabilities Follows:

December 31, 2024

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Foreign Currency Assets</u>			
<u>Monetary Items</u>			
USD	\$ 60,919	32.79 (USD:NTD)	<u>\$ 1,997,539</u>
<u>Non-Monetary Items</u>			
Investments			
Using Equity Method			
USD	23,350	32.79 (USD:NTD)	\$ 765,635
Vietnam	938,980,440	0.0013 (VND:NTD)	1,187,810
Non Derivative instruments			
USD	10,354	32.79 (USD:NTD)	<u>339,514</u>
			<u>\$ 2,292,959</u>
<u>Foreign currency liabilities</u>			
<u>Monetary Items</u>			
USD	41,838	32.79 (USD:NTD)	<u>\$ 1,371,882</u>

December 31, 2023

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Foreign Currency Assets</u>			
<u>Monetary Items</u>			
USD	\$ 82,511	30.71 (USD:NTD)	<u>\$ 2,533,912</u>
<u>Non-Monetary Items</u>			
Investments			
Using Equity Method			
USD	27,135	30.71 (USD:NTD)	\$ 833,322

Vietnam	805,454,697	0.0012 (VND:NTD)	1,002,791
Non Derivative instruments			
USD	9,315	30.71 (USD:NTD)	<u>286,071</u>
			<u>\$ 2,122,184</u>
Foreign currency liabilities			
<u>Monetary Items</u>			
USD	47,444	30.71 (USD:NTD)	<u>\$ 1,457,009</u>

In the fiscal year 2024, the Company recorded foreign exchange gains (realized and unrealized) of NT\$32,047 thousand, while in the fiscal year 2023, the foreign exchange gains amounted to NT\$35,652 thousand.

### 30. Additional Disclosure Items

(1) Information on material transactions and (2) reinvestment companies:

1. Funds to be lent to others: Table 1.
2. Endorsement Warranties for Others: Table 2.
3. Summary of held marketable securities (excluding investments in subsidiaries and affiliated enterprises): Refer to Table 3.
4. Cumulative purchases or sales of the same marketable securities amount to NT\$ 300 million or more than 20% of paid-in capital: None.
5. Acquisition of real estate amounting to NT\$300 million or more, or exceeding 20% of the paid-in capital: None.
6. Disposal of real estate amounting to NT\$300 million or more, or exceeding 20% of the paid-in capital: None.
7. The amount of import and sales reaches NTD 100 million or more than 20% of paid-up capital with the affiliates: Table 4.
8. Amounts due from related parties amounting to NT\$100 million or more, or exceeding 20% of the paid-in capital: Refer to Table 5.
9. Engagement in derivative instrument transactions: None.
10. Information on invested companies: Refer to Table 6.

(3) Investment information on Mainland China:

1. Mainland China Invested Companies - Includes the names of the mainland China invested companies, their main business activities, paid-in capital, investment methods, fund inflow/outflow status, ownership percentages, investment gains/losses, year-end investment book values, repatriated investment gains/losses, and investment limits in mainland China: Table 7.
2. Significant Transactions with Mainland China Invested Companies - Includes significant transactions with mainland China invested companies, whether directly or indirectly through a third region, along with their prices, payment terms, and unrealized gains/losses: Table 1, 2, 4, and 5.

(4) Information on major shareholders: Names of shareholders with an equity interest of 5% or more, number and percentage of shares held: Table 8.

## AMPACS CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 5)	Ending Balance (Note 5)	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Item	Value			
1	Brilliance Investment Co., Ltd.	Richmake International Limited	Other receivables from related parties	Yes	\$ 288,552 (US\$ 8,800)	\$ 288,552 (US\$ 8,800)	\$ 262,796 (US\$ 8,015)	-	Short-term financing	\$ -	Operational needs	\$ -	None	\$ -	\$ 334,556 (US\$ 10,203)	\$ 334,556 (US\$ 10,203)	Note 3
2	Dong Guan Yi Zhuo Electronics Co., Ltd.	Brilliance Investment Co., Ltd.	Other receivables from related parties	Yes	165,262 (US\$ 5,040)	165,262 (US\$ 5,040)	160,259 (US\$ 4,887)	-	Short-term financing	-	Operational needs	-	None	-	206,659 (CNY 46,149)	206,659 (CNY 46,149)	Note 4

Note 1: The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: The amount was calculated using the spot rate on December 31, 2024 (US\$1=NT\$32.79; CNY1=NT\$4.478).

Note 3: The aggregate financing limit and financing limit for each borrower of Brilliance Investment Co., Ltd., calculated based on the Group's policy, were both 120% of the Company's net asset value.

Note 4: The aggregate financing limit and financing limit for each borrower of Dong Guan Yi Zhuo Electronics Co., Ltd., calculated based on the Group's policy, were both 120% of the Company's net asset value.

Note 5: The highest balance and ending balance for the period are the financing limits approved by the lender's board of directors.

## AMPACS CORPORATION AND SUBSIDIARIES

## ENDORSEMENTS/GUARANTEES PROVIDED

FOR THE YEAR ENDED DECEMBER 31, 2024

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/Guaranteed During the Period (Note 3)	Outstanding Endorsement/Guarantee at the End of the Period (Note 3)	Actual Amount Borrowed (Note 3)	Amount Endorsed/Guaranteed by Collateral (Note 3)	Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/Guarantee Limit (Note 2)	Endorsement/Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 1)											
1	Modern Pioneer (Kunshan) Co., Ltd.	AMPACS Corporation	b	\$ 236,107 (CNY 52,726)	\$ 213,135 (US\$ 6,500)	\$ -	\$ -	\$ -	0%	\$ 236,107 (CNY 52,726)	N	Y	N	

Note 1: Relationship between endorser/guarantor and endorsee/guarantee are as follows:

- a. Business relationship.
- b. A subsidiary in which the Company holds directly and indirectly over 50% of an equity interest.
- c. An investee in which the Company and its subsidiaries hold directly and indirectly over 50% of an equity interest.

Note 2: a. The aggregate amount of guarantees/endorsements by Modern Pioneer (Kunshan) Co., Ltd. and for any single entity should not exceed 100% of its net worth.  
b. The net worth is based on the latest audited financial statements.

Note 3: The amount was calculated using the spot rate on December 31, 2024 (US\$1=NT\$32.79; CNY1=NT\$4.478).

## AMPACS CORPORATION AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

DECEMBER 31, 2024

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Shares/Units (Note 2)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
AMPACS Corporation	<u>Bounds</u> Ford Motor Company	-	Financial assets at FVTOCI - non-current	US\$ 130	\$ 3,648	-	\$ 3,648	
	Corporate bonds - Pfizer Inc.	-	Financial assets at FVTOCI - non-current	US\$ 200	6,364	-	6,364	
	Corporate bonds - Apple Inc.	-	Financial assets at FVTOCI - non-current	US\$ 500	14,521	-	14,521	
	Government bonds	-	Financial assets at amortized cost	\$ 20,000	20,000	-	20,000	
	<u>Other financial assets</u> 4EST INC.	-	Financial assets at fair value through profit or loss - non-current	-	32,790	-	32,790	
	<u>Ordinary shares</u> Substrate Manufacturing Corporation	-	Financial assets at FVTOCI - non-current	2,247	282,191	-	282,191	
	Richmake International Limited	<u>Ordinary shares</u> Iota Communications, Inc.	-	Financial assets at FVTOCI - non-current	2,478,000	-	1.26%	-
Dong Guan Yi Zhuo Electronics Co., Ltd.	<u>Investment product</u> Xinyin Wealth Daily Profit Elephant Tian Tian Li	-	Financial assets at fair value through profit or loss - current	-	8,060	-	8,060	

Note 1: The carrying values of financial instruments were all assessed for impairment.

Note 2: The number of units of the bonds is the face value of the bonds.

## AMPACS CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
AMPACS Corporation	Ampacs International Company Limited	Subsidiary	Purchase	\$(5,811,337)	(92)	About 120 days	Contract price	No significant difference	\$ -	-	
	Richmake International Limited	Subsidiary	Purchase	(308,268)	(5)	About 120 days	Contract price	No significant difference	-	-	
	Fortune Channel Universal Limited	Subsidiary	Purchase	(188,860)	(3)	About 120 days	Contract price	No significant difference	(102,857)	(22)	
Tech. Pioneer, Ltd.	AMPACS Corporation	Parent company	Purchase	(1,160,410)	(100)	About 120 days	Contract price	No significant difference	(238,587)	(100)	
Richmake International Limited	Dongguan Yi Xing Electronics Co., Ltd.	Subsidiary	Purchase	(338,811)	(100)	About 180 days	Contract price	No significant difference	(23,641)	(33)	
Fortune Channel Universal Limited	Modern Pioneer (Kunshan) Co., Ltd.	Subsidiary	Purchase	(188,860)	(100)	About 180 days	Contract price	No significant difference	(155,554)	(100)	
Ampacs International Company Limited	Dongguan Yi Xing Electronics Co., Ltd.	Associates company	Purchase	(463,751)	(9)	About 180 days	Contract price	No significant difference	(152,816)	(8)	
	Dong Guan Han Lei Electronics Co., Ltd.	Associates company	Purchase	(625,948)	(12)	About 180 days	Contract price	No significant difference	(295,050)	(15)	
	AMPACS Corporation	Parent company	Sale	5,811,337	99	About 120 days	Contract price	No significant difference	-	-	
Richmake International Limited	AMPACS Corporation	Parent company	Sale	308,268	90	About 120 days	Contract price	No significant difference	-	-	
Fortune Channel Universal Limited	AMPACS Corporation	Parent company	Sale	188,860	100	About 120 days	Contract price	No significant difference	102,857	100	
AMPACS Corporation	Tech. Pioneer, Ltd.	Subsidiary	Sale	1,160,410	17	About 180 days	Contract price	No significant difference	238,587	20	

Dongguan Yi Xing Electronics Co., Ltd.	Richmake International Limited	Associates company	Sale	338,811	42	About 180 days	Contract price	No significant difference	23,641	13	
Modern Pioneer (Kunshan) Co., Ltd.	Fortune Channel Universal Limited	Associates company	Sale	188,860	86	About 180 days	Contract price	No significant difference	155,554	95	
Dongguan Yi Xing Electronics Co., Ltd.	Ampacs International Company Limited	Associates company	Sale	463,751	58	About 180 days	Contract price	No significant difference	152,816	87	
Dong Guan Han Lei Electronics Co., Ltd.	Ampacs International Company Limited	Associates company	Sale	625,948	99	About 180 days	Contract price	No significant difference	295,050	99	

## AMPACS CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance of Trade Receivables	Ending Balance of Other Receivables	Turnover Rate	Past Due		Amounts Received in Subsequent Period	Allowance for Impairment Loss
						Amount	Action Taken		
AMPACS Corporation	Ampacs International Company Limited Tech. Pioneer, Ltd.	Subsidiary Subsidiary	\$ - 238,587	\$ 435,606 -	Note 1 7.63	\$ - -	- -	\$ 261,100 238,587	\$ - -
Brilliance Investment Co., Ltd.	Richmake International Limited	Associates company	-	262,796	Note 2	-	-	-	-
Dongguan Yi Xing Electronics Co., Ltd.	Ampacs International Company Limited	Associates company	152,816	-	2.66	-	-	65,580	-
Modern Pioneer (Kunshan) Co., Ltd.	Fortune Channel Universal Limited	Associates company	155,554	-	1.25	-	-	16,395	-
Dong Guan Yi Zhuo Electronics Co., Ltd.	Brilliance Investment Co., Ltd.	Associates company	-	160,259	Note 2	-	-	-	-
Dong Guan Han Lei Electronics Co., Ltd.	Ampacs International Company Limited	Associates company	295,050	-	4.11	-	-	-	-
Fortune Channel Universal Limited	AMPACS Corporation	Parent company	102,857	-	1.72	-	-	24,414	-

Note 1: The other receivables are purchased raw materials.

Note 2: Financing.

## AMPACS CORPORATION AND SUBSIDIARIES

## INFORMATION ON INVESTEEES

FOR THE YEAR ENDED DECEMBER 31, 2024

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2024			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2024	December 31, 2023	Number of Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
AMPACS Corporation	Tech. Pioneer, Ltd.	Samoa	Investment activities	US\$ 21,780	US\$ 21,780	23,003	100	\$ 765,635	\$ (97,181)	\$ (97,181)	Subsidiary
				HK\$ 9,500	HK\$ 9,500				(US\$ -3,027)		
	Ampacs International company Limited	Vietnam	Production and sale of plastic products and consumer electronics	US\$ 50,000	US\$ 50,000	-	100	1,176,709	157,810	157,810	Subsidiary
	Vogten Import Export Trading Co., Ltd.	Vietnam	Sale of consumer electronics	US\$ 500	US\$ -	-	100	11,101	(4,859)	(4,859)	Subsidiary
								(VND -3,840,966)			
Tech. Pioneer, Ltd.	Brilliance Investment Co., Ltd.	Samoa	Investment activities and the sale of plastic products	US\$ 1,050	US\$ 1,050	1,050	100	278,797	2,285	2,285	Subsidiary
								(US\$ 71)			
	Sunlight Ocean Holding Limited	Samoa	Investment activities	US\$ 850	US\$ 850	850	100	67,894	8,679	8,679	Subsidiary
								(US\$ 270)			
	Richmake International Limited	Samoa	Investment activities and the sale of consumer electronics	HK\$ 9,500	HK\$ 9,500	1,224	100	42,623	(84,250)	(84,250)	Subsidiary
	Fortune Channel Universal Limited	Seychelles	Investment activities and the sale of plastic products	US\$ 16,000	US\$ 16,000	16,000	100	387,550	(US\$ -2,624)	(16,513)	Subsidiary
								(US\$ -514)			

Note 1: Refer to Table 7 for information on investments in mainland China.

## AMPACS CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (Note 3)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2024 (Note 3)	Investment of Flows (Note 2)		Accumulated Outflow of Investment from Taiwan as of December 31, 2024 (Note 3)	Net Income (Loss) of the Investee (Note 4)	Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 4)	Carrying Amount as of December 31, 2024 (Note 3)	Accumulated Inward Remittance of Earnings as of December 31, 2024
					Outflow	Inflow						
Dongguan Yi Zhao Electronics Co., Ltd.	Production and sale of plastic products	\$ 34,430 (US\$ 1,050)	Note 1	\$ 34,430 (US\$ 1,050)	\$ -	\$ -	\$ 34,430 (US\$ 1,050)	\$ 41,427 (CNY 9,301)	100	\$ 41,427 (US\$ 1,290)	\$ 172,216 (US\$ 5,252)	\$ -
Dongguan Han Lei Electronics Co., Ltd.	Production and sale of plastic products and consumer electronics	27,872 (US\$ 850)	Note 1	27,872 (US\$ 850)	-	-	27,872 (US\$ 850)	8,711 (CNY 1,956)	100	8,711 (US\$ 271)	66,370 (US\$ 2,024)	-
Dongguan Yi Xing Electronics Co., Ltd.	Production and sale of plastic products and consumer electronics	40,109 (HK\$ 9,500)	Note 1	40,109 (HK\$ 9,500)	-	-	40,109 (HK\$ 9,500)	(75,750) (CNY-17,007)	100	(75,750) (US\$ -2,359)	123,862 (US\$ 3,777)	-
Modern Pioneer (Kunshan) Co., Ltd.	Production and sale of plastic products	442,665 (US\$ 13,500)	Note 1	442,665 (US\$ 13,500)	-	-	442,665 (US\$ 13,500)	(9,144) (CNY -2,053)	100	(16,475) (US\$ -513)	400,384 (US\$ 12,211)	-
Dongguan Shi Hong Jun Electronics Co., Ltd.	Production and sale of headphone wire	8,956 (CNY 2,000)	Note 2	Note 2	-	-	Note 2	(1,704) (CNY -383)	100	(956) (CNY -215)	8,052 (CNY 1,798)	-

Accumulated Investment in Mainland China as of December 31, 2024 (Note 3)	Investment Amounts Authorized by Investment Commission, MOEA (Note 3)	Upper Limit on Investment
\$ 545,076 (US\$ 15,400) (HK\$ 9,500)	\$ 545,076 (US\$ 15,400) (HK\$ 9,500)	\$ 1,765,156 (Note 5)

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Note 1: The companies were invested through regions outside of Taiwan and mainland China (the third region).

Note 2: The capital of Dongguan Shi Hong Jun Electronics Co., Ltd. is remitted out with the self-owned fund of Dongguan Han Lei Electronics Co., Ltd.

Note 3: The amount was calculated using the spot rates on December 31, 2024 (US\$1=NT\$32.79; HK\$1=NT\$4.222; CNY1=NT\$4.478).

Note 4: The amount was calculated using the yearly average rates on 2024 (US\$1=NT\$32.11; HK\$1=NT\$4.115; CNY1=NT\$4.454).

Note 5: The amount was calculated based on 60% of the Group's net worth.

**TABLE 8****AMPACS CORPORATION****INFORMATION OF MAJOR SHAREHOLDERS  
DECEMBER 31, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Huang, Chang-Ching	27,671,900	18.44
Lung An Investment Co., Ltd.	11,907,304	7.93
Chang An Investment Co., Ltd.	11,681,569	7.78
Hsiao, Hsiu-Ju	9,381,545	6.25

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to the Market Observation Post System website of the TWSE.

## §Detailed Table of Important Accounting Items§

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Ampacs Corporation

Cash statement

December 31, 2024

Table 1

(In Thousands of New Taiwan Dollars,  
Unless Specified Otherwise)

<u>Name</u>	<u>Amount</u>
Cash in Treasury	\$ 200
Bank Deposit	
Checking Deposit	133
Demand Deposit (Note 1 & 2)	<u>114,803</u>
Total	<u>\$ 115,136</u>

Note 1: Including US\$3,192 thousand, JPY\$ 15,259 thousand and HK\$2,000.

Note 2: The above foreign currencies were translated at the exchange rates of  
US\$1=NT\$32.79, JPY\$1 = \$0.21 and HK\$1=NT\$4.22, respectively.

Ampacs Corporation  
Statement of Accounts Receivable  
December 31, 2024

Table 2 (In Thousands of New Taiwan Dollars) □

Customer Name	Amount
Company A	\$ 360,613
Company B	192,806
Company C	68,394
Company D	62,163
Company E	58,160
Others (Note 1)	<u>220,326</u>
	962,462
Minus: Loss Allowance	<u>3,333</u>
Net Amount	<u>\$ 959,129</u>

Note 1: None of the customer balances exceeded 5% of the balance of this account.

Ampacs Corporation  
Statement of Inventories

December 31, 2024

Table 3

(In Thousands of New Taiwan Dollars,  
Unless Specified Otherwise) □

	Amount	
Item	Cost	Net Realizable Value
Commodities	\$ 2,394	\$ -
Allowance for Inventory Write-Down Losses	2,394	-
Total	\$ -	\$ -

Ampacs Corporation  
Schedule of Prepayments  
December 31, 2024

Table 4 (In Thousands of New Taiwan Dollars)

<u>M a n u f a c t u r e r ' s   n a m e .</u>	<u>A m o u n t</u>
Related Party	
Ampacs International Company Limited	\$ 830,059
Richmake International Limited	<u>66,704</u>
	896,763
Non-related party:	
Others (Note)	<u>23,808</u>
Total	<u>\$ 920,571</u>

Note: The balance of each vendor did not exceed 5% of the balance of this item.

Ampacs Corporation  
Statement of Changes in Investment Property Accounted for Using the Equity Method  
For the year ended on Dec. 31, 2024

Table 5

(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

	Beginning Balance		Increases during the Period		Decreases during the Period		Share of (Loss) Income of Subsidiaries Recognized Under the Equity Method	Difference of Conversion of Financial Statements of Foreign Operating Institutions	Realized Sales Benefits Among Affiliate Companies	Share of Other Comprehensive Loss of Subsidiaries Accounted for Using Equity Method	Difference between the amount obtained and the net value	Ending Balance			Provide Collateral Or Pledge Status	
	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount						Number of shares (in thousands)	Shareholding %	Amount		Net Equity Value
Tech. Pioneer, Ltd.	23,003	\$ 833,322	-	\$ -	-	\$ -	( \$ 97,181 )	\$ 34,584	\$ -	\$ -	( \$ 5,090 )	23,003	100	\$ 765,635	\$ 765,635	None
Ampacs International Company Limited	-	1,002,791	-	-	-	-	157,810	16,108	-	-	-	-	100	1,176,709	1,176,709	None
Vogten Import Export Trading Co., Ltd	-	-	-	16,354	-	-	( 4,859 )	( 394 )	-	-	-	-	100	11,101	11,101	None
<b>Total</b>		<u>\$1,836,113</u>		<u>\$ 16,354</u>		<u>\$ -</u>	<u>\$ 55,770</u>	<u>\$ 50,298</u>	<u>\$ -</u>	<u>\$ -</u>	<u>( \$ 5,090 )</u>			<u>\$1,953,445</u>	<u>\$1,953,445</u>	

Ampacs Corporation  
Statement of Short-Term Loans  
Dec. 31, 2024

Table 6

(In Thousands of New Taiwan Dollars and foreign  
currency )

	Contract period	Annual interest rate. (%)	Year End Balance	Financing Credit	Mortgage or Collateral
CTBC Bank	113.9.27-114.9.30	6.11%~6.17%	\$ 123,039	USD 6,000	Unsecured Loans
CTBC Bank	113.9.27-114.9.30	2.69%	40,000	NTD 50,000	Unsecured Loans
BANK SINOPAC	113.8.16-114.8.31	2.13%~2.25%	150,000	NTD 150,000	Bank Warranty Loan
BANK SINOPAC	113.8.16-114.8.31	2.23%~2.25%	75,000	NTD 75,000	Unsecured Loans
BANK SINOPAC	113.8.16-114.8.31	2.13%~2.25%	181,965	NTD 182,000	Bank Warranty Loan
BANK SINOPAC	113.8.16-114.8.31	5.87%~5.94%	80,529	USD 12,000	Receivables-Backed Loans
BANK SINOPAC	113.8.16-114.8.31	5.77%	6,634	USD 2,000	Unsecured Loans
BANK SINOPAC	113.10.10-114.3.20	5.86%~6.17%	53,645	USD 5,000	Unsecured Loans
E.SUN Bank	113.9.16-113.6.30	5.94%~6.63%	334,410	USD 48,000	Receivables-Backed Loans
E.SUN Bank	113.11.4-114.2.14	6.21%	20,591	USD 48,000	Receivables-Backed Loans
Bank of Taiwan	113.9.16-114.9.16	2.24%	80,000	NTD 80,000	Bank Warranty Loan
Bank of Taiwan	113.9.16-114.9.16	5.9%~5.93%	95,272	USD 3,633	Bank Warranty Loan
Mega Bank	113.2.24-114.2.23	5.97%~6.08%	163,906	USD 60,000	Bank Warranty Loan
DBS Bank	113.10.11-114.3.27	2.46%~2.47%	150,000	NTD 150,000	Bank Warranty Loan
DBS Bank	113.10.15-114.1.24	5.71%	13,588	USD 2,000	Bank Warranty Loan
Hua Nan Bank	113.5.16-114.5.16	2.53%	80,000	NTD 80,000	Bank Warranty Loan

Hua Nan Bank	113.5.16-114.5.16	5.73%~5.94%	37,754	USD 2,333	Bank Warranty Loan
Cathay United Bank	113.11.30-114.11.30	2.66%	30,000	NTD 30,000	Bank Warranty Loan
Shin Kong Bank	113.5.2-114.5.2	2.49%	35,000	NTD 35,000	Bank Warranty Loan
Shin Kong Bank	113.5.2-114.5.2	5.82%~5.87%	60,603	USD 2,167	Bank Warranty Loan
EnTie Bank,	113.4.26-114.4.26	2.67%	100,000	NTD 100,000	Bank Warranty Loan
TAICHUNG BANK	113.6.26-114.6.26	2.63%	50,000	NTD 100,000	Unsecured Loans
TAICHUNG BANK	113.6.26-114.6.26	5.97%~6.92%	\$ 55,705	USD 2,000	Unsecured Loans
Taishin International Bank	113.7.15-114.6.30	2.88%	40,000	NTD 40,000	Bank Warranty Loan
Taipei Fubon Bank	113.5.8-114.2.25	0.5%~2.34%	<u>45,000</u>	NTD 100,000	Bank Warranty Loan
Total			<u>\$ 2,102,641</u>		

Ampacs Corporation  
Statement of Accounts Payable

December 31, 2024

Table 7 (In Thousands of New Taiwan Dollars)

Customer Name	Amount
Related Party	
Fortune Channel Universal Limited	\$ 102,857
	102,857
Non-related party:	
Supplier A	74,723
Supplier B	33,669
Supplier C	21,737
Others (Note 1)	226,916
	357,045
Total	\$ 459,902

Note 1: None of the items have a balance exceeding 5% of the balance of this account.

Ampacs Corporation  
Statement of Long-Term Loans  
December 31, 2024

Table 8

(In Thousands of New Taiwan Dollars)

<u>Debt</u>	<u>Borrowing</u>	<u>Method of</u>	<u>Contract</u>	<u>Annual</u>	<u>Mortgage</u>
<u>Warranty Loan</u>	<u>Amount</u>	<u>Repayment</u>	<u>Period</u>	<u>Interest</u>	<u>Collateral</u>
<u>Rate</u>				<u>Rate</u>	
BANK SINOPAC	\$ 172,042	Repayment of principal and interest will be made in equal installments starting from the month in which the loan is made.	2017.7-2032.7	2.26%	Note 1
BANK SINOPAC	425,836	Repayment of principal and interest will be made in equal installments starting from the month in which the loan is made.	2021.6-2028.6	2.18%	Note 1
The Shanghai Commercial & Savings Bank	44,916	Repayment of principal and interest will be made in equal installments starting from the month in which the loan is made.	2024.5-2031.5	2.12%	Note 2
CTBC Bank	88,445	Repayment of principal and interest will be made in equal installments starting from the month in which the loan is made.	2024.11-2026.1	2.51%	Note 1
Minus: Part Due within 1 year	( 69,380 )				
	661,859				

Unsecured Loans

ESUN Bank	<u>55,114</u>	Repayment of principal and interest will be made in equal installments of three months from the date of loan.	2023.10-2026.10	2.51%	None
Minus: Part Due within 1 year	( <u>29,748</u> )				
Total	<u>\$ 687,225</u>				

Note 1: Provision of own land, buildings and parking spaces as collateral.

Note 2: Provide credit guarantee fund and current deposit reserve as collateral.

Ampacs Corporation  
Statement of Operating Revenue  
For the year ended on Dec. 31, 2024

Table 9

(In Thousands of New Taiwan Dollars)

Item	Amount
Operating Income	
Consumer Electronics Products	\$ 6,545,876
Plastic Components	<u>196,082</u>
Operating Income Net Amount	<u>\$ 6,741,958</u>

Ampacs Corporation  
Statement of Operating Costs  
For the year ended on Dec. 31, 2024

Table 10

(In Thousands of New Taiwan Dollars)

Item	Amount
Operating Cost	
Plus: Year Beginning Commodities	\$ 5,357
Purchases During the Year	6,033,686
Minus: Year End Commodities	-
Total	<u>\$ 6,039,043</u>

Ampacs Corporation  
 Statements of Operating Expenses  
 For the year ended on Dec. 31, 2024

Statement 11

(In Thousands of New Taiwan Dollars, Unless  
 Specified Otherwise) □

	Sales Expenses	Administrati on Expenses	Research and Development Expenses	Expected Credit Turnover Benefits	Total
Salary Expenses	\$ 38,085	\$ 71,041	\$ 88,382	\$ -	\$ 197,508
Depreciation	72	3,100	8,382	-	11,554
Insurance Expenses	3,916	5,005	6,910	-	15,831
Travel Expenses	4,800	1,343	6,103	-	12,246
Others (Note)	<u>7,275</u>	<u>24,141</u>	<u>30,630</u>	<u>3,298</u>	<u>65,344</u>
	<u>\$ 54,148</u>	<u>\$ 104,630</u>	<u>\$ 140,407</u>	<u>\$ 3,298</u>	<u>\$ 302,483</u>

Ampacs Corporation  
Summary of Employee Benefits, Depreciation, and Amortization Expenses  
For the year ended on Dec. 31, 2024 and Dec. 31 2023

Table 12

(In Thousands of New Taiwan Dollars) □

	Year 2024			Year 2023		
	Operating Cost	Operating Expenses	Total	Operating Cost	Operating Expenses	Total
Employee Benefits Expenses						
Salary Expenses	\$ -	\$183,227	\$183,227	\$ -	\$144,885	\$144,885
Labor and Health Insurance Expenses	-	14,400	14,400	-	12,684	12,684
Pension Expenses	-	8,281	8,281	-	6,862	6,862
Director Consideration	-	6,000	6,000	-	7,090	7,090
Other Employee Benefits	-	3,986	3,986	-	2,221	2,221
	<u>\$ -</u>	<u>\$215,894</u>	<u>\$215,894</u>	<u>\$ -</u>	<u>\$173,742</u>	<u>\$173,742</u>
Depreciation Expenses	<u>\$ -</u>	<u>\$ 11,554</u>	<u>\$ 11,554</u>	<u>\$ -</u>	<u>\$ 13,550</u>	<u>\$ 13,550</u>
Amortization Expenses	<u>\$ -</u>	<u>\$ 1,854</u>	<u>\$ 1,854</u>	<u>\$ -</u>	<u>\$ 3,052</u>	<u>\$ 3,052</u>

Note:

1. The number of employees for the years 2024 and 2023 were 160 and 142 respectively, with the number of non-executive directors who are not concurrently employees being 6 for both years.
2. A company whose shares are listed on a stock exchange or traded over-the-counter at Taipei Exchange shall disclose the following additional information:
  - (1) The average employee benefit expense for the current year is NT\$1,363 thousand. The average employee benefit cost in the previous year was NT\$1,225 thousand.
  - (2) For the year ended December 31, 2024, the average employee payroll cost was NT\$1,190 thousand. The average employee payroll cost for the previous year was NT\$1,065 thousand.
  - (3) Change in average staff salary cost adjustment 11.74%.
3. The company has adopted an Audit Committee to replace the supervisory board system.
4. The company's remuneration policy for directors, executives, and employees is as follows:
  - (1) Directors: Based on the company's articles of incorporation, the Compensation Committee considers the overall performance of the board of directors, company's operational performance, and future operations. It then proposes a distribution plan to the board of directors, taking into account the

individual directors' level of involvement and contribution to the company.

- (2) Managers: Based on industry salary levels, the remuneration of executives is determined by their level of involvement and contribution to the company, as well as their performance. The remuneration proposal is reviewed by the Compensation Committee and then presented to the board of directors for approval.
- (3) Employees: The company is committed to providing employees with salaries and benefits above the industry average. The amount allocated to each employee is determined based on their position, contribution, and performance. The proposed remuneration is presented by the highest-level executive unit and approved by the Chairman of the Board.