【Stock Code: 8027】

E&R ENGINEERING CORPORATION
And Its Subsidiaries
Consolidated Financial Statements
And Independent Auditors' Report

2024 and 2023

Company Address: No. 61, Hengshan Road, Yanchao District, Kaohsiung City

Company Phone: 07-6156600

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E&R ENGINEERING CORPORATION

Declaration

The Company, for the year 2024 (from January 1, 2024 to December 31, 2024), in accordance with the "Guidelines for the Preparation of Consolidated Business Reports, Consolidated Financial Statements of Affiliates, and Related Reports," the companies that should be included in the preparation of the consolidated financial statements of affiliates are the same as those that should be included in the preparation of the consolidated financial statements of parent and subsidiary companies in accordance with IFRS 10. Furthermore, the relevant information to be disclosed in the consolidated financial statements of affiliates has already been disclosed in the aforementioned consolidated financial statements of parent and subsidiary companies, and therefore, there is no need to prepare separate consolidated financial statements of affiliates.

Compliance Statement

Company Name: E&R ENGINEERING CORPORATION
Chairman: Wang, Ming-Chin

March 6, 2025

Independent Auditors' Report

E&R ENGINEERING CORPORATION　The Board of Directors and Shareholders：

Audit opinion

E&R ENGINEERING CORPORATION and its subsidiaries (hereinafter referred to as E&R Group) consolidated balance sheets as of December 31, 2024 and 2023, as well as the consolidated statements of comprehensive income for the period from January 1, 2024 to December 31, 2024 and January 1, 2023 to December 31, 2023, consolidated statements of changes in equity, consolidated statements of cash flows, and notes on consolidated financial statements (including summary of significant accounting policies) have been audited by our auditor.

In the opinion of the auditor, the accompanying consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the Financial Supervisory Commission approved and issued International Financial Reporting Standards, International Accounting Standards, interpretations, and Statement on Internal Control (SIC), sufficient to fair present the consolidated financial position of the E&R Group as of December 31, 2024 and 2023, and the consolidated financial performance and consolidated cash flows for the period from January 1, 2024 to December 31, 2024 and from January 1, 2023 to December 31, 2023.

Basis for opinions

The auditor conducted the audit in accordance with the rules for the audit of financial statements and Auditing Standards. The responsibilities of the auditor under those standards will be further explained in the responsibilities section of the audit of the consolidated financial statements. The personnel of the firm to which this auditor belongs have maintained their independence from the E&R Group in accordance with the International Code of Ethics for Professional Accountants (IESBA Code) and fulfilled other responsibilities under that code. The auditor believes that sufficient and appropriate audit evidence has been obtained to serve as the basis for opinions on the audit.

Key audit matters

Key audit matters refer to the matters that are of most significance in the audit of the E&R Group's consolidated financial statements for the year ended December 31, 2024, based on the professional judgment of the auditor. These matters have been addressed during the audit process of the consolidated financial statements as a whole and in forming the audit opinion, the accountant does not express an opinion on these matters separately.

The key audit matters of the E&R Group's consolidated financial statements for the year 2024 are described as follows:

I. Inventory Valuation

For accounting policies regarding inventories, please refer to Notes on Consolidated Financial Statements 4(8); for accounting estimates and assumptions uncertainty related to inventory valuation, please refer to Notes on Consolidated Financial Statements 5(2)6.; for the valuation status of inventories, please refer to Notes on Consolidated Financial Statements 6(5).

Key audit matters explanation:

E&R Group as of December 31, 2024, the inventories, net amounted to 897,451 thousand, accounting for total assets 22%. Due to the rapid changes in technology, there is a risk that the inventory may no longer meet market demand or become obsolete due to the fast changes in product demand and technology, resulting in the inventory value being lower than the carrying amount. Therefore, the valuation of inventory is recognized as key audit matters.

Audit procedures in response to:

The main audit procedures of the auditor include confirming the appropriateness of the inventory valuation allowance method based on an understanding of the nature and aging of the products; testing the carrying value of inventories, assessing the reasonableness of changes in allowance for inventory valuation losses; obtaining the company's inventory aging status report and comparing the actual write-off situation of past allowances, and participating in the year-end inventory count, during which the condition of the inventory is assessed to evaluate the appropriateness of the allowance for inventory valuation losses for obsolete and damaged goods.

II. Revenue Recognition

For accounting policies regarding revenue recognition, please refer to Notes on Consolidated Financial Statements 4(18); for accounting estimates and assumptions uncertainty related to revenue recognition, please refer to Notes on Consolidated Financial Statements 5(1)1. and 5(2)1.; for explanations on revenue recognition, please refer to Notes on Consolidated Financial Statements 6(27).

Key audit matters explanation:

Operating revenue is a key indicator for investors and management to assess the financial or operational performance of E&R Group. Given the significant impact of the timing and amount of revenue recognition on financial reporting, the testing of revenue recognition has been identified as a key audit matter.

Audit procedures in response to:

The main audit procedures performed by the auditor include testing the design and operating effectiveness of internal controls over revenue, reviewing significant customer orders; testing samples of sales transactions before and after the year-end to assess the accuracy of revenue recognition during the period.

Others

E&R ENGINEERING CORPORATION has prepared the Parent Company Only Financial Statement for the years 2024 and 2023, which has been audited by our accountants and accompanied by an unqualified opinions report for reference.

The management and governance units are responsible for the consolidated financial statements.

The responsibility of management is to prepare the Regulations Governing the Preparation of Financial Reports by Securities Issuers in accordance with the Financial Supervisory Commission approved and issued International Financial Reporting Standards, International Accounting Standards, interpretations, and Statement on Internal Control (SIC) to present a fair expression of the consolidated financial statements, and to maintain necessary internal controls related to the preparation of the consolidated financial statements to ensure that the consolidated financial statements do not contain any material misstatements due to fraud or error.

In preparing the consolidated financial statements, the responsibility of management also includes assessing the E&R Group's ability to continue as a going concern, the disclosure of relevant matters, and the adoption of the going concern accounting basis, unless management intends to liquidate the E&R Group or cease operations, or there are no other viable alternatives other than liquidation or cessation.

E&R Group's governance unit (including the audit committee) is responsible for overseeing the financial reporting process.

The responsibility of the auditor in auditing the consolidated financial statements.

The purpose of the audit of the consolidated financial statements by this auditor is to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue an audit report. Reasonable assurance is a high level of assurance, but an audit conducted in accordance with Auditing Standards does not guarantee that all material misstatements in the consolidated financial statements will be detected. Misstatements can arise from fraud or error. If the misrepresentation of individual amounts or aggregate figures is reasonably expected to affect the economic decisions made by users of the consolidated financial statements, it is considered material.

The auditor conducted the audit in accordance with Auditing Standards, exercising professional judgment and professional skepticism. The auditor also performed the following tasks:

1. Identify and assess the significant misstatement risks in the consolidated financial statements due to fraud or error; design and implement appropriate responses to the assessed risks; and obtain sufficient and appropriate audit evidence to serve as the basis for opinions. The risk of significant misstatement due to fraud is higher than that due to error, as fraud may involve collusion, forgery, intentional omissions, misstatements, or circumvention of internal controls.
2. To obtain the necessary understanding of internal controls relevant to the audit, in order to design appropriate audit procedures under the circumstances at that time, but the purpose is not to express an opinion on the effectiveness of the internal controls of E&R Group.
3. Assess the appropriateness of the accounting policies adopted by management and the reasonableness of the accounting estimates and related disclosures.
4. Based on the audit evidence obtained, a conclusion is made regarding the appropriateness of the management's use of the going concern accounting basis and whether there are significant uncertainties regarding events or conditions that may cast significant doubt on the ability of the E&R Group to continue as a going concern. If the auditor believes that there is significant uncertainty regarding such events or circumstances, they must alert the users of the consolidated financial statements in the audit report to the relevant disclosures of the consolidated financial statements, or modify the audit opinion if those disclosures are inappropriate. The conclusion of this auditor is based on the audit evidence obtained as of the date of the audit report. However, future events or circumstances may cause the E&R Group to no longer have the ability to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements (including related notes), and whether the consolidated financial statements appropriately fair express the relevant transactions and events.
6. To obtain sufficient and appropriate audit evidence regarding the financial information of the entities comprising the E&R Group, in order to express an opinion on the consolidated financial statements. The auditor is responsible for the guidance, supervision, and execution of audit cases, and is responsible for forming the audit opinion of the E&R Group.

The matters communicated by this accountant with the governance unit include the planned audit scope and timing, as well as significant audit findings (including significant deficiencies in internal control identified during the audit process).

This auditor also provides the governing unit with a statement regarding the independence standards adhered to by personnel of the accounting firm to which this accountant belongs, as outlined in the International Code of Ethics for Professional Accountants (IESBA Code), and communicates with the governing unit all relationships and other matters that could be perceived as affecting the accountant's independence (including relevant safeguards).

The auditor decided on the E&R Group's audit of the consolidated financial statements for the year ended 2024 based on matters communicated with the governance unit regarding the key audit matters. The auditor states in the audit report that, unless the law prohibits the public disclosure of specific matters, or in very rare circumstances, the auditor decides not to communicate specific matters in the audit report because it can be reasonably expected that the negative impact of such communication would outweigh the public interest it would serve.

Crowe (TW) CPAs

CPA: Hsieh, Jen-Yao

CPA: Lee, Kuo-Ming

Approval Document Number:
Financial-Supervisory-Securities-Auditing-Order No. 10200032833
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March 6, 2025

E&R ENGINEERING CORPORATION And Subsidiaries
Consolidated Balance Sheets
December 31, 2024 and 2023

Unit: NTD Thousands

Code	Assets	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current Assets				
1100	Cash and cash equivalents (Note 6(1))	$ 730,387	17	$ 846,413	20
1110	Financial assets at fair value through profit or loss － current (Note 6(2))	233,751	6	343,961	8
1150	Notes receivable, net (Note 6(3))	6,997	-	5,665	-
1170	Accounts receivable, net (Note 6(4))	524,768	12	435,664	10
1200	Other receivables	6,311	-	7,345	-
1220	Current tax assets	118	-	42	-
130x	Inventories (Note 6(5))	897,451	22	1,038,844	27
1410	Prepayments	98,537	2	61,375	1
1476	Other financial assets － current (Note 6(6))	117,419	3	342,633	8
11xx	Total Current Assets	2,615,739	62	3,081,942	74
	Noncurrent Assets				
1517	Financial assets at fair value through other comprehensive income or loss － noncurrent (Note 6(7))	84,619	2	51,270	1
1600	Property, plant and equipment (Note 6(8))	1,259,492	31	750,964	19
1755	Right-of-use assets (Note 6(9))	165,523	4	177,928	4
1780	Intangible assets (Note 6(10))	13,739	-	16,668	-
1840	Deferred tax assets (Note 6(33))	44,884	1	51,799	1
1920	Refundable deposit (Note 6(11))	11,828	-	11,288	1
1960	Prepayments for investments	-	-	10,000	-
1980	Other financial assets － noncurrent (Note 8)	5,900	-	6,900	-
15xx	Total Noncurrent Assets	1,585,985	38	1,076,817	26
1xxx	Total Assets	$ 4,201,724	100	$ 4,158,759	100
	Liabilities and Equity				
	Current Liabilities				
2100	Short-term loans (Note 6(12))	$ 5,000	-	$ 97,000	2
2130	Contract liabilities － current (Note 6(27))	29,347	1	23,038	1
2150	Notes payable	3,814	-	3,652	-
2170	Accounts payable	212,684	5	186,032	4
2200	Other payables (Note 6(13))	162,168	4	142,547	3
2230	Current tax liabilities	417	-	22,962	1
2250	Provisions - liability － current (Note 6(14))	35,446	1	31,461	1
2280	Lease liabilities － current (Note 6(9))	19,806	-	21,788	1
2310	Advance receipts (Note 6(18))	854	-	398	-
2320	Long-term liabilities, current portion (Note 6(15))	26,029	1	17,172	-
21xx	Total Current Liabilities	495,565	12	546,050	13

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Code	Liabilities and Equity	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Noncurrent Liabilities				
2500	Financial liabilities at fair value through profit or loss － noncurrent (Note 6(2))	-	-	9,700	-
2530	Bonds payable (Note 6(16))	373,695	9	946,295	24
2540	Long-term loans (Note 6(17))	282,502	7	72,923	2
2570	Deferred tax liabilities (Note 6(33))	3,251	-	276	-
2580	Lease liabilities - noncurrent (Note 6(9))	119,094	3	131,450	3
2630	Long-term deferred revenue (Note 6(18))	21,912	1	22,053	1
2640	Net defined benefit liabilities - noncurrent (Note 6(19))	4,912	-	9,584	-
2645	Guarantee deposits received (Note 9(7))	71,056	1	71,056	1
25xx	Total Noncurrent Liabilities	876,422	21	1,263,337	31
2xxx	Total Liabilities	1,371,987	33	1,809,387	44
	Equity				
	Equity attributable to owners of parent				
3100	Share capital (Note 6 (20))				
3110	Ordinary Shares	1,064,275	26	985,954	24
3130	Bond conversion entitlement certificates	18,026	-	-	-
3140	Capital collected in advance	1,468	-	-	-
3200	Capital surplus (Note 6(21))	1,734,570	41	1,237,824	29
3300	Retained earnings (Note 6(23))				
3310	Legal reserve	77,177	2	77,177	2
3320	Special reserve	31,456	1	36,409	1
3350	Unappropriated earnings	56,412	1	166,014	4
3400	Other equity (Note 6(24))	(2,704)	-	(31,456)	(1)
3500	Treasury shares (Note 6(25))	(166,725)	(4)	(166,725)	(4)
31xx	Total equity attributable to owners of parent	2,813,955	67	2,305,197	55
36xx	Non-controlling interests (Note 6(26))	15,782	-	44,175	1
3xxx	Total Equity	2,829,737	67	2,349,372	56
	Total Liabilities and Equity	$ 4,201,724	100	$ 4,158,759	100

(Please refer to the accompanying notes on the consolidated financial statements.)

Chairman: Wang, Ming-Chin　　Manager: Eric Chang　　Accounting Supervisor: Max Cao

E&R ENGINEERING CORPORATION And Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2024 and 2023

Unit: NTD Thousands

Code	Item	2024 Amount	2024 %	2023 Amount	2023 %
4000	Operating revenue (Note 6(27))	$ 1,644,908	100	$ 1,549,374	100
5000	Operating costs (Note 6(5))	(1,047,264)	(63)	(935,093)	(60)
5900	Gross profit (loss)	597,644	37	614,281	40
	Operating expenses				
6100	Selling expenses	(241,789)	(15)	(230,089)	(15)
6200	Administrative expenses	(228,427)	(14)	(163,978)	(11)
6300	Research and development expense	(252,464)	(15)	(207,420)	(13)
6450	Expected credit losses (reversal) (Note 6(4))	6,097	-	4,034	-
6000	Total operating expenses	(716,583)	(44)	(597,453)	(39)
6900	Income (loss) from operations	(118,939)	(7)	16,828	1
	Non-operating income and expenses				
7100	Interest income (Note 6(29))	13,515	1	23,639	1
7010	Other income (Note 6(30))	7,094	-	3,523	-
7020	Other gains and losses (Note 6(31))	65,361	4	15,819	1
7050	Finance cost (Note 6(32))	(20,377)	(1)	(21,494)	(1)
7000	Total non-operating income and expenses	65,593	4	21,487	1
7900	Income (loss) before income tax	(53,346)	(3)	38,315	2
7950	Income tax benefit (expense) (Note 6(33))	(5,513)	-	(14,740)	(1)
8200	Net income (loss)	(58,859)	(3)	23,575	1
	Other comprehensive income(loss) (Note 6(34))				
8310	Items that will not be reclassified to profit or loss				
8311	Remeasurement of defined benefit plans	1,966	-	(1,506)	-
8316	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	6,838	1	11,484	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	(393)	-	301	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	21,051	1	(7,215)	-
8399	Items related to potential reclassification of items concerning income tax benefits (expenses)	(467)	-	214	-
8300	Total other comprehensive income (loss), net of income tax	28,995	2	3,278	-
8500	Total comprehensive income (loss)	$ (29,864)	(1)	$ 26,853	1
8600	Net income (loss) attributable to:				
8610	Owners of parent company (net income/loss)	$ (51,125)	(3)	$ 30,911	1
8620	Non-controlling interests	(7,734)	-	(7,336)	-
		$ (58,859)	(3)	$ 23,575	1
8700	Total comprehensive income (loss) attributable to:				
8710	Owners of parent	$ (23,169)	(1)	$ 34,683	2
8720	Non-controlling interests	(6,695)	-	(7,830)	(1)
		$ (29,864)	(1)	$ 26,853	1
	Earnings (losses) per share				
9750	Basic earnings per share (Note 6(36))	$ (0.51)		$ 0.32	
9850	Diluted earnings per share (Note 6(36))	$ (0.51)		$ 0.32	

(Please refer to the accompanying notes on the consolidated financial statements.)

Chairman: Wang, Ming-Chin   Manager: Eric Chang   Accounting Supervisor: Max Cao

E&R ENGINEERING CORPORATION And Subsidiaries

Consolidated Statements of Changes in Equity

January 1 to December 31, 2024 and 2023

Unit: NTD Thousands

	Equity attributable to owners of parent												
	Share Capital				Retained Earnings			Other Equity Interest					
	Ordinary Shares	Bond Conversion Entitlement Certificates	Capital Collected in Advance	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Stock	Total Equity Attributable to Owners of the Parent	Non-controlling Interests	Total Equity
Balance at January 1, 2023	$ 1,007,703	$ 3,026	$ 125	$ 1,271,597	$ 38,028	$ 11,185	$ 459,625	$ (8,934)	$ (27,475)	$ (188,316)	$ 2,566,564	$ 69,255	$ 2,635,819
Appropriation of earnings:													
Legal reserve appropriated	-	-	-	-	39,149	-	(39,149)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	-	-	25,224	(25,224)	-	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	-	-	(195,545)	-	-	-	(195,545)	-	(195,545)
Net profit (loss) for the year 2023	-	-	-	-	-	-	30,911	-	-	-	30,911	(7,336)	23,575
2023 Other comprehensive income	-	-	-	-	-	-	(1,181)	(6,531)	11,484	-	3,772	(494)	3,278
2023 Total comprehensive income (loss)	-	-	-	-	-	-	29,730	(6,531)	11,484	-	34,683	(7,830)	26,853
Conversion of certificates of bonds-to-share	3,026	(3,026)	-	-	-	-	-	-	-	-	-	-	-
Treasury shares repurchased	-	-	-	-	-	-	-	-	-	(111,508)	(111,508)	-	(111,508)
Treasury shares canceled	(24,900)	-	-	(44,776)	-	-	(63,423)	-	-	133,099	-	-	-
The difference between equity price and book value of subsidiaries acquired or disposed of ‘ ‘	-	-	-	5,434	-	-	-	-	-	-	5,434	(5,434)	-
Changes in percentage of ownership interest in subsidiaries	-	-	-	(480)	-	-	-	-	-	-	(480)	-	(480)
Share-based payments transaction	125	-	(125)	6,049	-	-	-	-	-	-	6,049	-	6,049
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(11,816)	(11,816)
Balance at December 31, 2023	985,954	-	-	1,237,824	77,177	36,409	166,014	(15,465)	(15,991)	(166,725)	2,305,197	44,175	2,349,372
Appropriation of earnings:													
Cash dividends of common stock	-	-	-	-	-	-	(49,829)	-	-	-	(49,829)	-	(49,829)
Reversal of special reserve	-	-	-	-	-	(4,953)	4,953	-	-	-	-	-	-
Net profit (loss) for the year 2024	-	-	-	-	-	-	(51,125)	-	-	-	(51,125)	(7,734)	(58,859)
2024 Other comprehensive income	-	-	-	-	-	-	1,430	19,688	6,838	-	27,956	1,039	28,995
2024 Total comprehensive income (loss)	-	-	-	-	-	-	(49,695)	19,688	6,838	-	(23,169)	(6,695)	(29,864)
Conversion of convertible bonds	-	94,227	-	487,378	-	-	-	-	-	-	581,605	-	581,605
Conversion of certificates of bonds-to-share	76,201	(76,201)	-	-	-	-	-	-	-	-	-	-	-
The difference between equity price and book value of subsidiaries acquired or disposed of ‘ ‘	-	-	-	-	-	-	(12,805)	-	-	-	(12,805)	12,805	-
Share-based payments transaction	2,120	-	1,468	9,368	-	-	-	-	-	-	12,956	-	12,956
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(34,503)	(34,503)
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	(2,226)	-	2,226	-	-	-	-
Balance at December 31, 2024	$ 1,064,275	$ 18,026	$ 1,468	$ 1,734,570	$ 77,177	$ 31,456	$ 56,412	$ 4,223	$ (6,927)	$ (166,725)	$ 2,813,955	$ 15,782	$ 2,829,737

(Please refer to the accompanying notes on the consolidated financial statements.)

Chairman: Wang, Ming-Chin　　Manager: Eric Chang　　Accounting Supervisor: Max Cao

E&R ENGINEERING CORPORATION And Subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31, 2024 and 2023

Unit:NTD Thousands

Item	2024	2023
Cash flows from operating activities		
Income (loss) before income tax	$ (53,346)	$ 38,315
Adjustments		
Reconcile profit item		
Depreciation	152,374	130,801
Amortization expense	8,574	9,515
Expected credit loss(benefit)	(6,097)	(4,034)
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	(23,646)	(16,513)
Interest expense	20,377	21,494
Interest income	(13,515)	(23,639)
Dividend income	(942)	(890)
Share-based benefit compensation cost	2,229	6,049
Loss (gain) on disposal of retirement of property, plant and equipment	916	(387)
Property, plant and equipment transferred to expenses	-	476
Proceeds from disposal of subsidiaries loss (gain)	-	(1,133)
Impairment loss on non-financial assets	4,524	-
Gain on lease modification	(132)	(1,468)
Others	587	(398)
Total adjustments to reconcile profit (loss)	145,249	119,873
Changes in operating assets and liabilities		
Net changes in operating assets		
Financial assets at fair value through profit or loss (increase) decrease	122,867	(222,605)
Notes receivable (increase) decrease	(1,333)	17,256
Accounts receivable (increase) decrease	(83,190)	320,321
Other receivables (increase) decrease	349	1,240
Inventories (increase) decrease	41,015	34,543
Prepayments (increase) decrease	(37,162)	28,870
Other financial assets (increase) decrease	203,000	273,461
Total net changes in operating assets	245,546	453,086
Net changes in operating liabilities		
Contract liabilities	6,309	(14,149)
Notes payable increase (decrease)	162	(3,192)
Accounts payable increase (decrease)	26,652	(129,295)
Other payables increase (decrease)	(2,964)	(89,836)
Provisions increase (decrease)	3,985	(61,398)
Net defined benefit liabilities	(2,706)	(2,526)
Total net changes in operating liabilities	31,438	(300,396)

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Item	2024	2023
Total changes in operating assets and liabilities	$ 276,984	$ 152,690
Total adjustments	422,233	272,563
Cash generated from (used in) operations	368,887	310,878
Interest received	14,200	24,238
Dividends received	942	890
Interest paid	(9,908)	(6,560)
Income tax refund (paid)	(18,854)	(83,024)
Net cash generated from (used in) operating activities	355,267	246,422
Cash flows from investing activities		
Acquisition of financial assets at fair value through other comprehensive income	(43,313)	(3,605)
Proceeds from disposal of financial assets at fair value through other comprehensive income	26,802	-
Increase in prepayments for investments	-	(10,000)
Acquisition of property, plant and equipment	(495,095)	(157,755)
Proceeds from disposal of property, plant and equipment	58	1,398
Increase in refundable deposits	(540)	-
Decrease in refundable deposits	-	1,412
Acquisition of intangible assets	(5,373)	(13,065)
Increase in other financial assets	-	(10,242)
Decrease in other financial assets	23,214	-
Net cash flows from (used in) investing activities	(494,247)	(191,857)
Cash flows from financing activities		
Increase in short-term loans	-	92,500
Decrease in short-term loans	(92,000)	-
Proceeds from long-term debt	232,502	-
Repayments of long-term loans	(16,705)	(16,435)
Repayments of principal of lease liabilities	(27,232)	(29,296)
Cash dividends paid	(49,829)	(195,545)
Exercise of employee share options	10,727	-
Payments to acquire treasury shares	-	(111,508)
Changes in non-controlling interests	(34,503)	(11,816)
Net cash generated from (used in) financing activities	22,960	(272,100)
Effect of exchange rate changes on cash and cash equivalents	(6)	(880)
Net increase (decrease) in cash and cash equivalents	(116,026)	(218,415)
Cash and cash equivalents, beginning balance	846,413	1,064,828
Cash and cash equivalents, ending balance	$ 730,387	$ 846,413

(Please refer to the accompanying notes on the consolidated financial statements.)

Chairman: Wang, Ming-Chin Manager: Eric Chang Accounting Supervisor: Max Cao

E&R ENGINEERING CORPORATION And Its Subsidiaries
Notes on Consolidated Financial Statements
January 1 to December 31, 2024 and 2023
(In Thousands of NTD, Except Specified Otherwise)

1. General Information

E&R ENGINEERING CORPORATION (hereinafter referred to as the Company) was established in October 1994 and after its stock began trading on the emerging market on January 3, 2003, the board of directors passed a resolution to withdraw from the emerging market trading on November 13, 2008. The Company was then re-registered for trading on the emerging market on November 12, 2013 and was approved for over-the-counter trading by the Taiwan Securities Association (TPEx) on March 27, 2015. The main business item includes the planning, design, manufacturing, installation, and sales of automation machinery, components, computer systems, and pollution control equipment, etc.

The Company and the Company's subsidiaries (collectively referred to as the "Group") are described in Note 4(3) B 2. In addition, the Company has no ultimate parent company. The consolidated financial statements are presented in the Company’s functional currency, New Taiwan Dollars.

2. Authorization Date and Procedures for Issuance of Financial Statements

The consolidated financial statements were released after being approved by the board of directors on March 6, 2025.

3. Application of New and Amended Standards and Interpretations

(1) The impact of the International Financial Reporting Standards (hereinafter referred to as "IFRSs"), approved and issued by the Financial Supervisory Commission (hereinafter referred to as "FSC"), has been adopted, including the International Accounting Standards, interpretations, and the Statement on Internal Control (SIC).

The table below lists the new standards, amendments, and revisions issued by the Financial Supervisory Commission applicable to 2024 under International Financial Reporting Standards and their interpretations:

Newly Issued/Amended Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 16 "Lease liability in a sale and leaseback"	January 1, 2024 (Note)
Amendments to IAS 1 "Classification of liabilities as current or non-current"	January 1, 2024 (Note)
Amendments to IAS 1 "Non-current liabilities with covenants"	January 1, 2024 (Note)
Amendments to IAS 7 and IFRS 7 "Supplier finance arrangements"	January 1, 2024 (Note)

Note: This amendment will apply to annual reporting periods beginning after January 1, 2024.

1. Amendment to IFRS 16 "Lease liability in a sale and leaseback"

This amendment clarifies that for a sale and leaseback transaction, if the transfer of the asset is treated as a sale in accordance with IFRS 15, the liabilities incurred by the seller and lessee due to the leaseback should be treated in accordance with IFRS 16 regarding lease liabilities; however, if variable lease payments that do not depend on an index or rate are involved, the seller-lessee should still determine and recognize the lease liability arising from such variable payments in a manner that does not recognize gains and losses related to the retained right of use. The difference between the subsequent actual lease payment amount and the reduced carrying amount of the lease liability is recognized in profit or loss.

2. Amendment to IAS 1 "Classification of liabilities as current or non-current"

The amendments clarify that when the Company determines whether a liability is classified as noncurrent, the Company should assess whether the Company has the right to defer the settlement for at least twelve months after the reporting period. If the Company has that right on the end of reporting period, that liability must be classified as non-current regardless whether the Company expects whether to exercise the right or not. If the Company must comply with specific conditions to have the right to defer settlement, it must have adhered to those specific conditions at the end of the reporting period in order to classify that liability as non-current, even if the creditor assesses whether the Company has complied with those conditions at a later date.

Furthermore, this amendment stipulates that for the purpose of classifying liabilities, the aforementioned settlement refers to the transfer of cash, other economic resources, or the Group's equity instruments to the counterparty to extinguish the liability. However, if the terms of the liability allow the counterparty to extinguish the liability by transferring the Group's equity instruments, and if this option is recognized separately in equity in accordance with IAS 32 "Financial instruments: presentation", then the aforementioned terms do not affect the classification of the liability.

3. Amendments to IAS 1 "Non-current liabilities with covenants"

This amendment further clarifies that only contractual terms that are required to be complied with before the end of the reporting period will affect the classification of the liability at that date. The contractual terms that required to be complied with within 12 months after the reporting period do not affect the classification of liabilities at the reporting date. However, for liabilities classified as non-current and must be repaid within 12 months after the reporting period due to potential non-compliance, the relevant facts and circumstances should be disclosed in the notes.

4. Amendments to IAS 7 and IFRS 7 "Supplier finance arrangements"

Supplier financing arrangements involve one or more financing providers making payments to suppliers on behalf of Company, and Company agrees to repay the financing providers on the payment date agreed with the suppliers or a later date.

The amendments to IAS 7 require Company to disclose information on its supplier financing arrangements to enable users of financial statements to assess the impact of these arrangements on Company's liabilities, cash flows and exposure to liquidity. The amendments to IFRS 7 include into its application guidance that when disclosing how Company manages the liquidity risk of its financial liabilities, it may also consider whether it has obtained or can obtain financing facilities through supplier financing arrangements, and whether these arrangements may cause concentration of liquidity risk.

The Group has evaluated the aforementioned standards and interpretations, and there is no significant effect to the Group’s financial position and performance.

(2) Effect of new issuances or amendments to the Financial Supervisory Commission endorsed International Financial Reporting Standards that have not yet been adopted:

The table below lists the new standards, amendments, and revisions issued by the Financial Supervisory Commission applicable to 2025 under International Financial Reporting Standards and their interpretations:

Newly Issued/Amended Standards and Interpretations	Effective Date Announced by IASB
Amendment to IAS 21 "Lack of exchangeability"	January 1, 2025

1. Amendment to IAS 21 "Lack of exchangeability"

This amendment defines exchangeability and provides relevant application guidelines on how enterprises determine the spot exchange rate on the measurement date when a currency Lack of exchangeability. This amendment also requires enterprises to provide more useful information in their financial statements when a currency cannot be exchanged for another currency.

(3) Effect of the IFRSs issued by IASB but not yet endorsed and issued into effect by FSC: The table below lists the new standards, amendments, and revisions issued by the International Accounting Standards Board but not yet endorsed by the Financial Supervisory Commission under the International Financial Reporting Standards and their impact:

Newly Issued/Amended Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to the classification and measurement of financial instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts involving natural power"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or contribution of assets between an investor and its associates or joint ventures"	Undetermined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Initial application of IFRS 17 and IFRS 9 － 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

Annual Improvements to IFRS—Volume 11	January 1, 2026

1. Amendments to IFRS 9 and IFRS 7 "Classification and measurement of financial instruments Amendments" The amendments are explained as follows:
   (1) Clarify the recognition and derecognition dates of certain financial assets and liabilities, adding that when using an electronic payment system to settle financial liabilities (or part of financial liabilities) in cash, companies are allowed to consider the financial liabilities as derecognized before the settlement date if and only if the company initiates the payment instruction and results in the following situation:
      A. The enterprise does not have the ability to revoke, suspend, or cancel the specified payment;
      B. The enterprise does not have the actual ability to access the cash to be used for settlement due to the payment instruction;
      C. The settlement risk associated with the electronic payment system is not significant.
   (2) Clarify and enhance further guidance on assessing whether financial assets meet the solely payments of principal and interest (SPPI) criteria, covering contractual terms that change cash flows based on contingent events (e.g., interest rates linked to ESG targets), non-recourse features of instruments, and contract-linked instruments.
   (3) For instruments newly added with contract terms that can change cash flows (such as certain instruments with features related to achieving environmental, social, and governance (ESG) objectives), a qualitative description of the contingent nature should be disclosed; quantitative information on the range of changes in contractual cash flows that may arise from such contract terms; and the total carrying amount of financial assets and the amortized cost of financial liabilities under such contract terms.
   (4) Update equity instruments designated as measured at fair value through other comprehensive income (FVTOCI) through irrevocable choices, and disclose their fair value by each category without the need to disclose fair value information for each individual asset. The fair value gains and losses recognized in other comprehensive income during the reporting period should also be disclosed, separately listing the fair value gains and losses related to investments derecognized during the reporting period, and those related to investments still held as of the end of the reporting period; as well as the cumulative gains and losses transferred to equity from investments derecognized during the reporting period.
2. Amendments to IFRS 9 and IFRS 7 "Amendments involving Contracts for Natural Power"

This amendment explains the contracts involving enterprises that generate electricity based on uncontrollable natural conditions (such as weather), resulting in fluctuations in electricity generation, as follows:

(1) Clarify the application of the "self-use" requirement for contracts related to the purchase or sale of natural electricity by enterprises:

When a contract stipulates that a company is obligated to purchase and receive electricity when generating power, and the design and operation of the contract electricity trading market require the company to sell any unused electricity within a specified timeframe, the company must consider reasonable and supported information regarding its past, current, and expected future electricity transactions within a reasonable period not exceeding 12 months. When it purchases sufficient electricity to offset any unused electricity sold in the same market where it sells power, the company is considered a net purchaser of electricity. New amendments apply to contracts involving natural power for self-use, which must be disclosed:

A. The Company faces the risk of changes in the base electricity supply and may be required to purchase electricity during delivery intervals when power is unavailable;

B. Unrecognized contract commitments, including the projected future cash flows from purchasing electricity under these contracts;

C. The impact of the contract on the financial performance of the enterprise during the reporting period.

(2) Clarify how designated contracts involving natural power can qualify as hedging instruments under hedge accounting:

The hedged item must be designated as the variable nominal amount of forecasted electricity transactions, which is consistent with the variable amount of natural electricity expected to be delivered by the generation facilities mentioned in the hedging instrument. In addition, when the cash flows of hedging instruments in the cash flow hedges relationship involve contracts designated as hedging instruments related to natural power, the occurrence of the designated expected transaction is a condition, and that expected transaction is presumed to be highly probable.

For enterprises that designate contracts involving natural power as hedging instruments, the terms and conditions of such hedging instruments should be disclosed according to IFRS 7 by risk category.

3. Amendments to IFRS 10 and IAS 28 "Sales or contributions of assets between an investor and its associates or joint ventures"

This amendment addresses the inconsistencies in the current IFRS 10 and IAS 28. The transaction of an investor selling (contributing) assets to its associates or joint ventures determines the recognition of all or part of the gains and losses from the disposal based on the nature of the assets sold (contributed):

(1) When the assets sold (contributed) are in line with the "business", all gains and losses from the disposal will be recognized;

(2) When the assets sold (contributed) do not align with the "business", only part of the gains and losses from the disposal within the scope of the interests of the non-related investors in the related enterprises or joint ventures can be recognized.

4. IFRS 18 "Presentation and disclosure of financial statements"

IFRS 18 will replace IAS1 and update the structure of the consolidated income statement. Added new disclosures on management performance measurement, and strengthened the aggregation and segmentation principles applied to the main financial statements and notes.

5. IFRS 19 "Disclosure of non-publicly accountable subsidiaries: disclosures"

This guideline allows eligible subsidiaries to apply the IFRS accounting standards with reduced disclosure requirements.

Except for the aforementioned, as of the date the consolidated financial statements are authorized for issue, the Group is still evaluating the impact on its financial position and financial performance as a result of the initial adoption of the aforementioned standards or interpretations, with relevant impacts to be disclosed upon completion of the assessment.

4. Summary of Significant Accounting Policies

The main accounting policies adopted for the preparation of consolidated financial statements are described as follows. Unless otherwise stated, these policies are consistently applied throughout all reporting periods.

(1) Compliance Statement

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the Financial Supervisory Commission approved International Financial Reporting Standards, International Accounting Standards, interpretations, and Statement on Internal Control (SIC) (hereinafter referred to as IFRSs).

(2) Basis of Preparation

1. Except for the following important item, this consolidated financial statements is prepared on a historical cost basis:

(1) Financial assets and liabilities (including derivatives instruments) measured at fair value through profit or loss.

(2) Financial assets measured at fair value through other comprehensive income at fair value.

(3) Liabilities on cash-settled share-based payment arrangement measured at fair value.

(4) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

2. The preparation of financial statements in compliance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

1. Basis for preparation of consolidated financial statements:

(1) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(2) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(3) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(4) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

(5) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss or transferred directly to retained earnings as appropriate, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary,

all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

2. The consolidated entities were as follows:

Investee / Subsidiary	Main Business	Percentage of Ownership 2024.12.31	Percentage of Ownership 2023.12.31
1.The Company			
E&R Semiconductor Materials Co., Ltd.	Semiconductor packaging material buying and selling	100%	100%
TECH-WAVE Industrial Co., Ltd.	Flexible printed circuit (FPC) manufacturing, processing and trading	51.43%	51.43%
ENRICHMENT TECH. CORPORATION	Investment Holding	100%	100%
EXCELLENT INTERNATION HOLDINGS LIMITED	Investment Holding	100%	100%
EXCELLENT TECHKNOWLEDGIES HOLDINGS PTE LTD	Investment Holding	100%	-
2.E&R Semiconductor Materials Co., Ltd.			
E&R(Dongguan) Semiconductor Materials Co., Ltd.	Manufacturing and selling of semiconductor packaging material business	100%	100%
3.ENRICHMENT TECH. CORPORATION			
ENR APPLIED PACKING MATERIAL CORPORATION	Investment Holding	100 %	100%
Chen Tai Trading (Shanghai) Co., Ltd.	Customer service of automated equipment	100%	100%
Suzhou E&R PRECISION EQUIPMENT CO., LTD	Manufacturing and selling of automation equipment	-	100%
4.ENR APPLIED PACKING MATERIAL CORPORATION			
Wuxi E&R Semiconductor Materials Technology Co., Ltd.	Production and sales of semiconductor packaging materials	100%	100%
5. EXCELLENT INTERNATION HOLDINGS LIMITED			
Superior Technology Semiconductor Co., Ltd (Note)	Manufacturing and selling of automation equipment	90.61%	90.61%
6.Chen-Tai Trade (Shanghai) Co. Ltd.			

Superior Technology Semiconductor Co., Ltd (Note)	Manufacturing and selling of automation equipment	9.39%	-

(Note) Formerly known as Superior Technology Semiconductor Co., Ltd, it was approved to be renamed Superior Technology Semiconductor Co., Ltd in August 2024.

(1) Consolidated subsidiaries increase or decrease:

(A) The Group established EXCELLENT TECHKNOWLEDGIES HOLDINGS PTE LTD with a 100% shareholding due to new investments made in May 2024.

(B) Suzhou E&R PRECISION EQUIPMENT CO., LTD. was liquidated in April 2024.

(C) In March 2024, the Group acquired a subsidiary - Superior Technology Semiconductor Co., Ltd. with 9.39% of outstanding shares, please refer to Note 6(35) for details.

3. Subsidiaries not included in the consolidated financial statements: None.

4. Adjustments for subsidiaries with different balance sheet dates and handling method: None.

5. Major Restrictions:

Cash and cash in banks 40,520 thousand are held in China, subject to local foreign exchange controls. Such foreign exchange control restrictions will limit the outflow of funds from China (excluding normal dividends).

6. Contents of the parent company's securities held by subsidiaries: None.

7. Subsidiaries that have material non-controlling interests: None.

(4) Foreign currency conversion

1. The financial statements of each entity within the Group present the item measured in the currency of the primary economic environment in which the entity operates (i.e., functional currency). The consolidated financial statements are presented in the Company's functional currency, New Taiwan Dollars.

2. When preparing the individual financial statements of each consolidated entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the exchange rate on the transaction date. At the end of the reporting period, foreign currency monetary items are retranslated at the spot exchange rate on that date, and the exchange differences are recognized in profit or loss for the period in which they occur. For foreign non-monetary items measured at fair value, the exchange rate on the date of determining fair value is used for translation, and any resulting exchange differences are included in profit or loss for the current year. However, for fair value changes recognized in other comprehensive income, the resulting exchange differences are included in other comprehensive income. Non-monetary items in foreign currencies measured at historical cost are translated at the exchange rate on the transaction date and are not retranslated.

3. To prepare Consolidated Financial Statements, the assets and liabilities of foreign operating entities are translated into New Taiwan Dollars at the spot exchange rate as of the end of the reporting period; revenue and expense items are translated at the average exchange rate for the period, with the resulting exchange differences recognized in other comprehensive income and accumulated in equity as exchange differences on translation of foreign financial statements (appropriately allocated to non-controlling interests).

(5) Standards for distinguishing between current and non-current assets and liabilities

1. Assets that meet one of the following conditions are classified as current assets:

(1) Expected to be realized within the normal operating cycle, or intended to be sold or consumed.

(2) Holders primarily for trading purposes.

(3) Expected to be realized within 12 months after the balance sheet date.

(4) Cash and cash equivalents, except for those that are to be exchanged, settled for liabilities, or subject to other restrictions after more than twelve months from the balance sheet date.

The Group classifies all assets that do not meet the above conditions as non-current.

2. Liabilities that meet one of the following conditions shall be classified as current liabilities:

(1) Expected to be settled within the normal operating cycle.

(2) Holders primarily for trading purposes.

(3) Liabilities that must be settled within twelve months after the balance sheet date (even if long-term refinancing or payment arrangement has been completed after the balance sheet date but before the issuance of the financial report, are also classified as current liabilities).

(4) At the balance sheet date, there are no substantive rights to defer the settlement period for at least twelve months after the balance sheet date. The terms of the liability that may be extinguished by issuing equity instruments at the option of the counterparty do not affect its classification.

The Group classifies all liabilities that do not meet the above conditions as non-current.

(6) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in banks, and short-term investments that are readily convertible to known amounts of cash and have insignificant risk of value changes (including time deposits with original maturities of three months or less).

(7) Financial instruments

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

Financial assets and financial liabilities are initially recognized at fair value. At initial recognition, transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (except for those classified as financial assets and financial liabilities at fair value through profit or loss) should be added to or deducted from the fair value of the financial asset or financial liability. Transaction costs that are directly attributable to financial assets and financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial assets

The customary trading of financial assets is recognized on the trade date.

(1) Measurement Types

The types of financial assets held by the Group are financial assets measured at fair value through profit or loss, financial assets measured at amortized cost, 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 those measured at fair value through profit or loss and those designated as financial assets at fair value through profit or loss. Mandatory financial assets measured at fair value through profit or loss include equity instrument investments that the Group has not designated as measured at other comprehensive income at fair value, and those that do not meet the classification criteria for amortized cost measurement or as debt instrument investments measured at other comprehensive income at fair value.

Financial assets originally measured at amortized cost or at fair value through other comprehensive income may eliminate or significantly reduce measurement or recognition inconsistencies arising from using different bases to measure assets or liabilities or recognizing their gains and losses if they are not designated as measured at fair value through profit or loss. The Company makes an irrevocable choice to designate them as measured at fair value through profit or loss at initial recognition.

Financial assets at fair value through profit or loss are measured at fair value, with dividends recognized in other income, interest revenue, and gains or losses arising from remeasurement recognized in other gains and losses. Please refer to Note 12 for the determination method of fair value.

B. Financial assets measured at amortized cost

Financial assets invested by the Group shall be classified as financial assets measured at amortized cost if they meet both of the following conditions:

a. Under a certain business model, the purpose of which is to hold financial assets to collect contract cash flows; and

b. Cash flows arising from the contractual terms on specific dates are solely payments of principal and interest on the outstanding principal amount.

Financial assets measured at amortized cost are measured at amortized cost after deducting any impairment loss from the carrying amount determined using the effective interest method after initial recognition, with any foreign exchange gains or losses recognized in profit or loss.

Except for the following two situations, interest revenue is calculated by multiplying the effective interest rate by the carrying amount of the financial assets:

a. For credit-impaired financial assets purchased or originated, interest revenue is calculated by multiplying the effective interest rate adjusted for credit by the amortized cost of the financial asset.

b. Financial assets that are not purchased or originated credit-impaired but subsequently become credit-impaired, interest revenue is calculated by multiplying the effective interest rate by the amortized cost of the financial asset.

C. Through other comprehensive income measured at fair value of equity instrument investments

The Group may make an irrevocable election at initial recognition to designate investments in equity instruments that are not held for trading and are not recognized or measured at fair value through profit or loss as measured at fair value through other comprehensive income in accordance with fair value.

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

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

(2) Impairment loss on financial assets

A. At each balance sheet date, the Group assesses expected credit losses on financial assets measured at amortized cost (including accounts receivable), debt instrument investments measured at fair value through other comprehensive income, lease payments receivable, and the impairment loss of contract assets.

B. Accounts receivable and lease payments receivable are recognized as provisions for lifetime ECLs. The other financial assets are first assessed to determine whether there has been a significant increase in credit risk since initial recognition. If there has not been a significant increase, provisions for expected credit losses are recognized based on 12 months of expected credit losses. If there has been a significant increase, provisions for losses are recognized based on lifetime ECLs.

C. Expected credit loss is the weighted average credit loss based on the risk of default. The 12-month expected credit losses represent the expected credit losses arising from possible defaults of financial instruments within 12 months after the reporting date, while lifetime ECLs represent the expected credit losses arising from all possible defaults of financial instruments over the expected duration.

D. All financial assets' impairment loss is recognized by adjusting their carrying amount through a provision account; however, the provision loss for 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) Derecognition of financial assets

The Group will derecognize financial assets when one of the following conditions is met:

A. Expiration of rights from contracts related to cash flows from financial assets.

B. Transfer of contractual rights to receive cash flows from financial assets, and the transfer of almost all risks and rewards of ownership of the financial assets.

C. Neither the transfer nor the retention of ownership of financial assets has resulted in the retention of almost all risks and rewards, but control over the financial assets has not been retained.

Any difference between the carrying amount of financial assets measured at amortized cost and the consideration received is recognized in profit or loss when they are derecognized. When the overall derecognition of debt instrument investments measured at fair value through other comprehensive income occurs, the difference between the carrying amount and the total of the consideration received plus any cumulative gains or losses recognized in other comprehensive income is recognized in profit or loss. When derecognizing equity instrument investments measured at fair value through other comprehensive income, the accumulated gains and losses are directly transferred to retained earnings and are not reclassified to profit or loss.

2. Equity instruments

The Group's issued debt and equity instruments are classified as financial liabilities or equity based on the substance of the contractual agreements and the definition of financial liability and equity instruments.

Equity instruments refer to any contract that represents a residual interest in the assets of an entity after deducting all its liabilities. The amount recognized for the equity instruments issued by the Group is the proceeds obtained less the direct issuance costs.

3. Financial liabilities

(1) Subsequent measurement

Except for the following situations, all financial liabilities are measured at amortized cost using the effective interest method:

A. Financial liabilities at fair value through profit or loss refer to financial liabilities held for trading or those designated as financial liabilities at fair value through profit or loss at initial recognition. Financial liabilities classified as held for trading are primarily intended for repurchase in the short term at the time of occurrence, and derivatives other than financial guarantee contracts or designated and effective hedging instruments. The Group designates financial liabilities at fair value through profit or loss when they meet one of the following conditions at initial recognition:

a. It includes hybrid (combined) contracts with embedded derivatives, and the host contract is not an asset within the scope of IFRS 9; or

b. Elimination or significant reduction of measurement or recognition inconsistencies; or

c. Instruments that are managed and evaluated based on fair value in accordance with written risk management policies.

B. Financial liabilities at fair value through profit or loss are initially recognized at fair value, with related transaction costs recognized in the current period's profit or loss. Subsequently, they are measured at fair value, with changes in fair value recognized in the current period's profit or loss.

C. Designated as financial liabilities measured at fair value through profit or loss, the fair value changes arising from credit risk fluctuations are recognized in other comprehensive income, and will not be reclassified to profit or loss subsequently. The remaining fair value changes of the liability are reported in profit or loss. However, if the above accounting treatment causes or exacerbates improper accounting matching, then all gains or losses on that liability shall be reported in profit or loss.

(2) Derecognition of financial liabilities

The Group shall derecognize financial liabilities only upon the discharge, cancelation, or expiration of the obligations. When derecognizing financial liabilities, the difference between the carrying amount and the total consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

4. Amendments to financial instruments

When the contractual cash flows of a financial instrument are renegotiated or modified, if it does not result in derecognition of the financial instrument, the Group recalculates the total carrying amount of the financial asset or the amortized cost of the financial liability by discounting the modified contractual cash flows at the original effective interest rate, and recognizes any modification gain or loss in profit or loss; the costs or fees incurred are adjusted against the carrying amount of the modified financial instrument and amortized over the remaining period after modification. If the renegotiation or modification results in the derecognition of the financial instrument, it shall be handled in accordance with the derecognition provisions.

(8) Inventories

Inventories are measured at the lower of cost and net realizable value, using the perpetual inventory system, with cost determined by the weighted average method. Finished goods and work in progress costs include raw materials, direct labor, other direct costs, and manufacturing expenses related to production (allocated based on normal capacity), but exclude borrowing costs. When comparing costs with net realizable value, the item-by-item comparison method is adopted. Net realizable value refers to the estimated selling price in the ordinary course of business, less the estimated costs to complete the product and the estimated costs necessary to make the sale.

(9) Property, plant and equipment

1. Property, plant and equipment are recorded at acquisition cost as the basis for accounting, and the related interest during the construction period is capitalized. Before the property, plant and equipment under construction reach the expected usable condition, the samples produced during the testing of whether such assets can operate normally are measured at the lower of cost and net realizable value, with the sales proceeds and costs recognized in profit or loss.
2. Subsequent costs are included in the carrying amount of an asset or recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Group and the costs of the item can be measured reliably. The carrying amount of the derecognized portion should be removed. All other maintenance expenses are recognized in profit or loss when incurred.
3. Land is not depreciated. Other property, plant and equipment are accounted for using the cost model and are depreciated on a straight-line basis over their estimated useful lives. The Group reviews the residual values, useful lives, and depreciation methods of its assets at the end of each financial year. If the expected values of residuals and useful lives differ from previous estimates, or if there are significant changes in the expected consumption patterns of the future economic benefits contained in the assets, then from the date of the change, it shall be handled in accordance with the accounting estimate change provisions of International Accounting Standards No. 8 "Accounting Policies, Changes in Accounting Estimates and Errors." The useful lives of various assets are as follows:

   Building

Factory Main Building	25 to 50 years

Factory Facility Equipment	3 to 35 years
Machinery and Transportation Equipment	1 to 8 years
Miscellaneous Equipment	2 to 10 years

4. When the disposal or anticipated inability to generate future economic benefits from use or disposal occurs, property, plant and equipment shall be derecognized. Excluding the amount of gains or losses arising from property, plant and equipment, it is the difference between the net disposal proceeds and the carrying amount of the asset, and is recognized in profit or loss for the current period.

(10) Lease

The Group assesses whether the contract is (or includes) a lease on the date the contract is established. For contracts that include a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to the lease components based on the relative standalone price of each lease component and the aggregate standalone price of the non-lease components.

1. The Group is the lessee.

Apart from the lease expenses recognized on a straight-line basis for low-value assets and short-term leases, the Group recognizes right-of-use assets and lease liabilities at the commencement date of other leases.

Right-of-use assets

Right-of-use assets are initially measured at cost (including the initial measurement amount of the lease liabilities, lease payments made before the lease commencement date less any lease incentives received, initial direct costs, and estimated costs for restoring the underlying asset), subsequently measured at cost less accumulated depreciation and accumulated impairment loss, and adjusted for any remeasurement of lease liabilities.

Except for right-of-use assets that meet the definition of investment properties, right-of-use assets are reported as a single line item in the Consolidated Balance Sheets.

Right-of-use assets are depreciated on a straight-line basis from the commencement of the lease until the earlier of the end of the useful life or the end of the lease term. However, if ownership of the underlying asset is obtained at the end of the lease term, or if the cost of right-of-use assets reflects the exercise of a purchase option, then depreciation is recognized from the commencement of the lease until the end of the useful life of the underlying asset.

Lease liabilities

Lease liabilities are initially measured at the present value of lease payments (including fixed payments, substantive fixed payments, and variable lease payments that depend on an index or rate). If the implicit interest rate of the lease is readily determinable, lease payments are discounted using that rate. If the interest rate is not readily determinable, then the lessee's incremental borrowing rate should be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, and interest expense is allocated over the lease term. If the lease term, the assessment of the purchase option of the underlying asset, the expected payments under the residual value guarantee, or changes in the index or rate used to determine lease payments lead to changes in future lease payments, the Group will remeasure the lease liabilities and adjust the right-of-use assets accordingly. However, if the carrying amount of the right-of-use assets has been reduced to zero, the remaining remeasurement amount will be recognized in profit or loss. Lease liabilities are reported as a single item in the Consolidated Balance Sheets.

(11) Intangible assets

Acquired separately finite useful life intangible assets are presented at cost less accumulated amortization and accumulated impairment. The amortization amount is calculated on a straight-line basis over the following useful lives: computer software design costs, based on 1 to 3 years. The estimated useful life and amortization method are reviewed at the end of the reporting period, and any impact of changes in estimates is deferred.

(12) Impairment loss on non-financial assets

The Group estimates the recoverable amount of assets with indications of impairment as of the balance sheet date, and recognizes an impairment loss when the recoverable amount is less than its carrying amount. The recoverable amount refers to the higher of an asset's fair value less costs to sell or its value in use. When the situation of recognizing asset impairment in prior years does not exist, the reversal shall be made within the scope of the amount of loss recognized in prior years.

(13) Provisions liability

Provisions (including short-term employee benefits, estimated losses from contracts, and warranties) are recognized when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of economic resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated. The measurement of provisions liability is based on the best estimate of the present value of the expenditures required to settle the obligation as of the balance sheet date, using a pre-tax discount rate that reflects current market assessments of the time value of money and specific risks associated with the liability, with the amortization of the discount recognized as interest expense. Future operating losses shall not be recognized as provisions.

(14) Employee benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the expected payment amount that is not discounted and are recognized as expenses when the related services are provided.

2. Pension

(1) Defined contribution plans

For defined contribution plans, the amount of retirement funds to be allocated is recognized as pension cost for the current period on an accrual basis. Prepaid contributions are recognized as assets within the scope of refundable cash or reductions in future benefits.

(2) Defined benefit plans

A. The net obligation under defined benefit plans is calculated by discounting the future benefit amounts earned by employees for their current or past services, and is presented as the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by actuaries using the projected unit credit method, with the discount rate determined by referencing the market yield on high-quality corporate bonds that are consistent with the currency and duration of the defined benefit plan as of the balance sheet date; in countries where there is no deep market for high-quality corporate bonds, the market yield on government bonds (as of the balance sheet date) is used.

B. Re-measurement amounts arising from defined benefit plans are recognized in the current period in other comprehensive income and expressed in retained earnings.

C. The relevant expenses of prior period service costs are recognized immediately in profit or loss.

3. Employee remuneration and director and supervisor remuneration

Employee remuneration and director and supervisor remuneration are recognized as expenses and liabilities when there is a legal or constructive obligation and the amount can be reasonably estimated. Subsequently, when the actual distribution amount differs from the estimated amount in the resolution, it shall be handled according to changes in accounting estimates.

4. Retirement benefits

Employee benefits upon termination refer to the benefits provided when employment is terminated prior to the normal retirement date or when an employee decides to accept the company's offer of benefits in exchange for the termination of employment. The Company recognizes expenses at the earlier of the offer of non-cancellable termination benefits or the recognition of related restructuring costs. Benefits that are not expected to be fully settled within 12 months from the balance sheet date should be discounted.

(15) Share capital and treasury shares

1. Share capital

Ordinary shares classified as equity. The classification of preferred shares is based on the substance of the contractual agreement and the definitions of financial liabilities and equity instruments, assessing the specific rights attached to the preferred shares. If the basic characteristics of a financial liability are exhibited, it is classified as a liability; otherwise, it is classified as equity. The costs directly attributable to the issuance of new shares or stock options are recorded as a reduction in equity.

2. Treasury shares

The Group recognizes the repurchased issued shares, based on the consideration paid at the time of repurchase (including directly attributable costs), as "treasury shares", which is deducted from equity. The disposal price of treasury shares is higher than the book value, and the difference is recorded as capital surplus, treasury share transactions; if the disposal price is lower than the book value, the difference will offset the treasury shares generated from transactions of the same type, and if there is a shortfall, retained earnings will be debited. Treasury Stock is calculated at weighted average and separately based on the reason for the buyback.

Treasury stock is canceled, debiting capital surplus - stock issuance premium and capital, when its book value exceeds the par value and the total of stock issuance premium, the difference shall offset the treasury stock capital surplus generated from transactions of the same type. If insufficient, it shall offset retained earnings; if the book value is less than the par value and the total of stock issuance premium, it shall credit the treasury stock capital surplus generated from transactions of the same type.

(16) Share-based payments

1. The share-based payment arrangement settled in equity is measured at the fair value of the equity instruments granted on the grant date, with the employee services obtained recognized as compensation cost over the vesting period, and corresponding adjustments made to equity. The fair value of equity instruments should reflect the effects of market price conditions and non-conditional factors. The recognized compensation cost is adjusted based on the expected number of awards that will meet the service conditions and non-market vested conditions, until the final recognized amount is based on the vested quantity on the vesting date.
2. The cash-settled share-based payments arrangement is recognized as compensation cost and liabilities at the fair value of the liabilities incurred during the vesting period, and measured at the fair value of the equity instruments granted at each balance sheet date and settlement date, with any changes recognized in profit or loss for the period.

(17) Income tax

1. Tax expense includes current and deferred income tax. Except for the items related to the income tax recognized in other comprehensive income or directly in equity, the income tax is recognized in profit or loss.
2. The current income tax is calculated based on the tax rates that have been legislated or substantively legislated as of the date of the balance sheet in the countries where the Group operates and generates taxable income. Management assesses the status of income tax filings in accordance with applicable regulations periodically, and estimates income tax liabilities based on expected payments to the tax authorities where applicable. According to the regulations of our country's income tax, the

additional income tax calculated on unappropriated retained earnings shall be recognized as tax expense only after the shareholders' meeting in the following year approves the earnings distribution proposal for the year in which the earnings were generated.

3. Deferred income tax is recognized using the balance sheet method, based on the temporary differences arising from the tax bases of assets and liabilities and their carrying amounts in the Consolidated Balance Sheets. Deferred tax liabilities arising from the origination of goodwill are not recognized. If deferred income tax arises from the original recognition of assets or liabilities in a transaction (excluding business combinations) and does not affect accounting profit or taxable income (taxable loss) at the time of the transaction, and there are no equal taxable and deductible temporary differences at the time of the transaction, then it is not recognized. If temporary differences arise from investments in subsidiaries, the Group can control the timing of the reversal of temporary differences, and temporary differences that are unlikely to reverse in the foreseeable future will not be recognized. Deferred income tax is legislated or substantively legislated as of the date of the balance sheet, and the applicable tax rate (and tax law) expected to apply when the relevant deferred tax assets are realized or deferred tax liabilities are settled.
4. Deferred tax assets are likely to be recognized within the scope of future taxable income available for use due to temporary differences, unused tax losses, and unused income tax offsets, and are reassessed at the end of each reporting period for unrecognized and recognized deferred tax assets.
5. When there is a legal right of offset to net the recognized current tax assets and liabilities, and there is an intention to settle on a net basis or simultaneously realize assets and settle liabilities, the current tax assets and current tax liabilities shall be offset; when there is a legal right of offset to net the current tax assets and current tax liabilities, and the deferred tax assets and liabilities are levied by the same tax authority on the same taxpayer, or different taxpayers but with the intention of settling on a net basis or simultaneously realizing assets and settling liabilities, the deferred tax assets and liabilities shall be offset.
6. The tax incentives arising from the purchase of equipment or technology, research and development expenses, talent training expenses, and equity investments shall adopt income tax offset accounting.

(18) Revenue recognition

The Group recognizes revenue from contracts with customers based on the following steps:

1. Identify customer contracts;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and

5. Revenue is recognized upon the satisfaction of performance obligations.

Contracts for the transfer of goods or services with a time interval of less than 1 year for the receipt of consideration shall not adjust the transaction price for significant financial components.

1. Goods sales revenue

Sales revenue comes from the sale of products such as machinery. Sales revenue is recognized when control of the product is transferred to the customer, as the customer has established a price for the goods and has the right to use them, while also bearing the primary responsibility for resale and assuming the risk of obsolescence. The Group recognizes revenue and accounts receivable at that point; it is expressed net of sales returns, quantity discounts, and allowances.

When processing materials, the control of ownership of the processed products has not been transferred; therefore, revenue is not recognized at the time of processing.

2. Dividend income and interest revenue

(1) Dividend income generated from investments is recognized when the right to receive payment is established for shareholders, provided that it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of income can be measured reliably.

(2) Interest revenue is recognized on an accrual basis over time based on the outstanding principal and the applicable effective interest rate.

(19) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction, or production of qualifying assets are included as part of the cost of that asset until virtually all necessary activities to prepare the asset for its intended use or sale are complete.

Specific borrowings that earn investment revenue from temporary investments made prior to the occurrence of capital expenditures that meet the requirements are deducted from the borrowing costs that meet the capitalization criteria.

Except for the above, all other borrowing costs are recognized as profit or loss in the period incurred.

(20) Government Subsidy

Government grants are recognized at fair value when there is reasonable assurance that the Group will comply with the conditions attached to the government grants and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs that they are intended to compensate. If the government grant is used to compensate for expenses or losses that have already occurred, or is intended to provide immediate financial support to the Group with no future related costs, it will be recognized in profit or loss during the period in which it is receivable. Government grants related to property, plant and equipment are recognized as non-current liabilities and are recognized in the current period's profit or loss on a straight-line basis over the estimated useful lives of the related assets.

5. Critical Accounting Judgments, Estimation and Key Sources of Assumption Uncertainty

The Group has made the following critical accounting judgments, key sources of estimates and assumptions in the accounting policies adopted when preparing this Consolidated Financial Statements:

(1) Important judgments adopted in accounting policies

1. Revenue recognition

The Group assesses under IFRS 15 whether control of specific goods or services has been transferred to the customer before the transfer occurs, and whether it acts as the principal or agent in the transaction. If it is determined to be an agent in the transaction, the net amount of the transaction is recognized as revenue.

If any of the following situations occur, the Group is the principal:

(1) Before transferring goods or other assets to customers, the Group first obtains control of the goods or assets from another party; or

(2) The Group controls the rights to services provided by another party, having the ability to dominate that party in providing services to customers on behalf of the Group; or

(3) The Group obtains control of goods or services from another party to combine with other goods or services to provide specific goods or services to customers.

Indicators used to assist in determining whether the Group controls a specific good or service before transferring it to customers include (but are not limited to):

(1) The Group has primary responsibility for the commitment to complete the provision of specific goods or services.

(2) The Group assumes inventory risk before and after the transfer of specific goods or services to customers, or after the transfer of control to customers (for example, if the customer has the right of return).

(3) The Group has the discretion to set prices.

2. Assessment of the business model for the classification of financial assets

The Group assesses the operating model of financial assets based on the level that reflects the group of financial assets managed together to achieve specific operating objectives. This assessment must consider all relevant evidence, including asset performance measurement methods, risks affecting performance, and the compensation determination methods of relevant managerial officers, and must apply judgment. The Group continuously assesses whether its business model is appropriate and monitors the financial assets measured at amortized cost that are derecognized before maturity and the debt instrument investments measured at fair value through other comprehensive income, understanding the reasons for disposal to evaluate whether the disposal aligns with the objectives of the business model. If it is found that the operating model has changed, the Group shall reclassify financial assets in accordance with the provisions of IFRS 9, and the application shall be deferred from the date of reclassification.

3. Lease term

When determining the lease term, the Group considers all relevant facts and circumstances that create economic incentives to exercise (or not exercise) the options, including expected changes in all facts and circumstances from the commencement date to the option exercise date. The factors considered include the contractual terms and conditions covered by the option period, significant leasehold improvements made (or expected to be made) during the contract term, and the importance of the underlying assets to the operations of the Group. When significant events occur or circumstances change significantly within the scope of the Group's control, the lease term shall be reassessed.

(2) Critical accounting estimates and assumptions

1. Revenue recognition

Sales revenue is recognized when control of goods or services is transferred to the customer and performance obligations are satisfied, net of estimated related sales returns, discounts, and other similar allowances. The sales returns and discounts are estimated based on historical experience and other known reasons, and the Group regularly reviews the reasonableness of the estimates.

2. Estimated impairment of financial assets

Accounts receivable estimated impairment is based on the Group's assumptions regarding default rates and expected loss rates. The Group considers historical experience, current market conditions, and forward-looking information to make assumptions and select input values for impairment assessment. If the actual cash flows in the future are less than expected, it may result in significant impairment loss.

3. Fair value measurement and valuation process

When measuring assets and liabilities at fair value in the absence of market quotations in an active market, the Group determines whether to outsource valuation in accordance with relevant laws or based on judgment and decides on appropriate fair value valuation techniques. If the first-level input values cannot be obtained when estimating fair value, the Group determines the input values by referencing analyzes of the investee's financial condition and operating results, recent transaction prices, quotations of the same equity instruments in non-active markets, quotations of similar instruments in active markets, and valuation multiples of comparable companies. If the actual future changes in input values differ from expectations, it may result in changes in fair value. The Group regularly updates various input values according to market conditions to monitor whether the fair value measurement is appropriate.

4. Impairment assessment of tangible assets and intangible assets

In the process of assessing asset impairment, the Group needs to rely on subjective judgment and determine the independent cash flows, useful life, and potential future income and expenses of specific asset groups based on the asset usage patterns and industry characteristics. Any changes in estimates due to changes in economic conditions or corporate strategies may result in significant impairments in the future.

5. Deferred tax assets realizability

Deferred tax assets are recognized when it is probable that there will be sufficient taxable income in the future to utilize the temporary differences. When assessing the recoverability of deferred tax assets, significant accounting judgments and estimates by management must be involved, including assumptions regarding expected future sales revenue growth and profit margins, tax holiday periods, available income tax deductions, and tax planning. Any changes regarding the global economic environment, industry environment, and changes in regulations may lead to significant adjustments in deferred tax assets.

6. Valuation of inventories

Due to the requirement to value inventories at the lower of cost and net realizable value, the Group must apply judgment and estimates to determine the net realizable value of inventories as of the balance sheet date. The Group assesses the amount of inventory on the balance sheet date due to normal wear and tear, obsolescence, or lack of market sale value, and reduces the cost of inventory to its net realizable value.

7. Calculation of net defined benefit liabilities

When calculating the present value of defined benefit obligations, the Group must apply judgments and estimates to determine the relevant actuarial assumptions as of the balance sheet date, including the discount rate and expected return on plan assets. Any changes in actuarial assumptions may significantly impact the amount of the Group's defined benefit obligation.

8. Additional borrowing interest rate of the lessee

In determining the discount rate for lease payments, the lessee's incremental borrowing rate is referenced against the risk-free interest rate of the same currency and term, taking into account the estimated credit risk spread of the lessee and specific lease adjustments (such as asset-specific factors and collateralized elements).

6. Contents of Significant Accounts

(1) Cash and cash equivalents

Item	December 31, 2024	December 31, 2023
Cash on hand	$ 1,135	$ 1,740
Checking deposits	951	247
Demand deposits	226,939	254,067
Cash equivalents		
Time deposits with maturities of less than 3 months	501,362	590,359
Total	$ 730,387	$ 846,413

1. The financial institutions dealing with the Group are credit worthy, and the Group does transactions with a number of financial institutions to diversify credit risk that are unlikely to be expected to default
2. The Group had not pledged the cash and cash equivalents.

(2) Financial assets and liabilities at fair value through profit or loss

Item	December 31, 2024	December 31, 2023
Mandatory current financial assets at fair value through profit or loss:		
Listed (OTC) stocks and ETFs	$ 73,745	$ 7,952
Open-end fund	158,801	333,942
Corporation bonds	-	2,067
Convertible bond redemption rights and put options	622	-
Foreign exchange Swaps	583	-
Total	$ 233,751	$ 343,961
Mandatory financial liabilities at fair value through profit or loss - noncurrent:		
Put options for corporate bonds	$ -	$ 9,700
Total	$ -	$ 9,700

1. The net (loss) income recognized by the Group for the years 2024 and 2023 was $23,646 thousand and $16,513 thousand, respectively.
2. The Group' s purpose of engaging in derivative financial instrument transactions is primarily to avoid risks arising from exchange rate fluctuations in foreign currency assets and liabilities. As of December 31, 2024 and 2023, the outstanding contracts were as follows:

   Foreign exchange Swaps

   December 31, 2024:

Contract content	Contract Period	Strike Price	Contract Amount
Buy USD and sell NTD	Nov. 2024~Jan. 2025	32.35	USD 570
Buy USD and sell NTD	Nov .2024~Jan. 2025	32.39	USD 1,000

   December 31, 2023: None.
3. The Group had not pledged the financial assets at fair value through profit or loss.
4. Please refer to Note 12(2) for relevant credit risk management and assessment methods.

(3) Notes receivable, net

Item	December 31, 2024	December 31, 2023
At amortized cost		
Notes receivable	$ 7,000	$ 5,667
Less: loss allowance	(3)	(2)
Notes receivable, net	$ 6,997	$ 5,665

1. The Group had not pledged the notes receivable.
2. Please refer to Note 6(4) for the relevant disclosure of loss allowance for notes receivable.

(4) Accounts receivable, net

Item	December 31, 2024		December 31, 2023	
At amortized cost				
Accounts receivable	$	529,589	$	446,399
Less: loss allowance		(4,821)		(10,735)
Accounts receivable, net	$	524,768	$	435,664

1. The accounts receivable that were neither past due nor impaired was following the Group' s credit policy determined by reference to the industry characteristics, operation scale and current financial position of the counterparties. The average credit period on sales of goods for automated equipment was 4-6 months, 6-9 months for soft board equipment (except for the final payment, the final payment is generally about 10%-30%, and the credit period is based on the agreement, usually within 1 year after delivery.); other divisions were 3-4 months.
2. The Group had not pledged the account receivable.
3. The Group applies the simplified approach to provisions for expected credit losses prescribed by IFRS 9, which permits the use of a lifetime expected credit losses provision for trade receivables. The expected credit losses on trade receivables are estimated by reference to preparation matrix, past account aging records of the debtor, an analysis of the debtor' s current financial position, and industrial trend. As the Group' s historical credit losses experience does not show significantly different loss patterns for different customer segments, the provision for losses based on past due status of notes receivable and accounts receivable is not further distinguished between the Group' s different customer base.
4. The Group measures the loss allowance for notes receivable and accounts receivable according to the provision matrix as follows:

December 31, 2024	Expected Credit Loss Rate		Accounts receivable		Loss allowance (expected life Expected credit losses)		Amortized Cost
Not overdue	0%-1%	$	499,986	$	(1,516)	$	498,470
Overdue 0 to 30 days	0%-20%		18,462		(685)		17,777
Overdue 31 to 180 days	0%-20%		8,993		(704)		8,289
Overdue 181 to 365 days	0%-50%		7,163		(759)		6,404
Overdue for more than 1 year	0%-100%		1,963		(1,138)		825
Counterparty show signs of default	100%		22		(22)		-
Total		$	536,589	$	(4,824)	$	531,765

December 31, 2023	Expected Credit Loss Rate	Accounts receivable	Loss allowance (expected life Expected credit losses)	Amortized Cost
Not overdue	0%-1%	$ 387,512	$ (1,837)	$ 385,675
Overdue 0 to 30 days	0%-20%	29,381	(1,907)	27,474
Overdue 31 to 180 days	0%-20%	17,169	(1,281)	15,888
Overdue 181 to 365 days	0%-50%	13,778	(1,588)	12,190
Overdue for more than 1 year	0%-100%	2,224	(2,122)	102
Counterparty show signs of default	100%	2,002	(2,002)	-
Total		$ 452,066	$ (10,737)	$ 441,329

5. Changes of the loss allowance for notes and accounts receivable were as follows:

Item	2024	2023
Beginning balance	$ 10,737	$ 14,813
Impairment loss provision (reversal)	(6,097)	(4,034)
Effect of foreign currency exchange differences	184	(42)
Ending balance	$ 4,824	$ 10,737

The amounts listed above have taken into account the collateral or other credit enhancements held. The other credit enhancements (such as letters of credit) held for the aforementioned receivables as of December 31, 2024 and 2023 were $0 thousand and $11,274 thousand, respectively.

If there is evidence indicating that the counterparty is facing severe financial difficulties and the Group cannot reasonably expect to recover the amount, the Group will directly write off the relevant receivables. However, recovery activities will continue, and any amounts recovered will be recognized in profit or loss. The Group wrote off receivables related to contract amounts for the years 2024 and 2023, which were both $0 thousand.

6. Please refer to Note 12 for the relevant credit risk management and assessment method.

(5) Inventories and operating costs

Item	December 31, 2024	December 31, 2023
Raw materials	$ 507,125	$ 527,087
Work in progress	212,320	254,880
Finished goods	178,006	256,877
Total	$ 897,451	$ 1,038,844

1. The related gain (loss) recognized as operating cost for the current period is as follows:

	2024	2023
Cost of goods sold	$ 999,676	$ 893,588
Impairment and obsolescence losses of inventories	47,588	40,808

	2024	2023
Fixed manufacturing overhead allocation	-	697
Total operating costs	$ 1,047,264	$ 935,093

2. The Group has recognized inventory write-downs and obsolescence losses (reversal gains) for the years 2024 and 2023 due to inventory obsolescence or lack of market sales value, amounting to $47,588 thousand and $40,808 thousand, respectively.
3. The Group has not pledged the inventories.

(6) Other financial assets - current

Item	December 31, 2024	December 31, 2023
Time deposits with maturities of more than three months	$ 111,000	$ 314,000
Restricted assets	6,419	28,633
Total	$ 117,419	$ 342,633

(7) Financial assets at fair value through other comprehensive income - noncurrent

Item	December 31, 2024	December 31, 2023
Equity investments		
Domestic listed stocks	$ -	$ 26,261
Domestic unlisted (OTC) stocks	91,546	41,000
Subtotal	$ 91,546	$ 67,261
Evaluation adjustment	(6,927)	(15,991)
Total	$ 84,619	$ 51,270

1. The Group invests in domestic listed and unlisted company stocks in accordance with its medium/long-term strategies and expects to make a profit through long-term investment. The Group's management believes that including the short-term fair value fluctuations of such investments in profit or loss is inconsistent with the aforementioned long-term investment plan. Therefore, it has chosen to designate such investments as measured at fair value through other comprehensive income at fair value.
2. Please refer to Note 12 for relevant credit risk management and assessment methods.
3. The Group had not pledged the financial assets at fair value through other comprehensive income.

(8) Property, plant and equipment

Item	December 31, 2024	December 31, 2023
Land	$ 51,515	$ 51,515
Building	815,725	297,789
Machinery and equipment	395,996	330,597
Office equipment	23,003	18,132
Transportation facilities	15,654	14,759
Miscellaneous equipment	599,508	544,965

Item	December 31, 2024		December 31, 2023	
Equipment to be inspected and construction in progress		230,534		263,777
Total cost	$	2,131,935	$	1,521,534
Less: Accumulated depreciations		(862,454)		(761,075)
Accumulated impairment		(9,989)		(9,495)
Total	$	1,259,492	$	750,964

	Land	Building	Machinery and equipment	Miscellaneous equipment (Note)	Equipment to be inspected and Construction in progress	Total
Cost						
Balance at January 1, 2024	$ 51,515	$ 297,789	$ 330,597	$ 577,856	$ 263,777	$ 1,521,534
Additions	-	3,134	14,074	27,156	473,142	517,506
Disposal	-	(3,073)	(11,043)	(25,876)	-	(39,992)
Reclassification	-	511,573	871	(685)	(511,759)	-
Transfer from inventories	-	-	50,268	59,013	-	109,281
Transfer to inventories	-	-	(3,189)	(6,457)	-	(9,646)
Reclassify to intangible assets	-	-	-	-	(246)	(246)
Transfer to impairment loss	-	-	-	-	(4,524)	(4,524)
Effect of foreign currency exchange differences	-	6,302	14,418	7,158	10,144	38,022
Balance at December 31, 2024	$ 51,515	$ 815,725	$ 395,996	$ 638,165	$ 230,534	$ 2,131,935
Accumulated Depreciations and Impairments						
Balance at January 1, 2024	$ -	$ 126,425	$ 301,326	$ 342,819	$ -	$ 770,570
Depreciation	-	24,815	11,179	87,404	-	123,398
Disposal	-	(3,073)	(11,043)	(24,902)	-	(39,018)
Transfer to inventories	-	-	-	(743)	-	(743)
Reclassification	-	285	-	(285)	-	-
Effect of foreign currency exchange differences	-	220	12,157	5,859	-	18,236
Balance at December 31, 2024	$ -	$ 148,672	$ 313,619	$ 410,152	$ -	$ 872,443

	Land	Building	Machinery and equipment	Miscellaneous equipment (Note)	Equipment to be inspected and Construction in progress	Total
Cost						
Balance at January 1, 2023	$ 51,515	$ 288,435	$ 396,588	$ 486,378	$ 159,768	$ 1,382,684
Additions	-	3,793	4,346	24,022	123,932	156,093
Disposal	-	-	(61,213)	(52,794)	-	(114,007)
Reclassification	-	5,743	(3,855)	11,774	(13,662)	-
Transfer from inventories	-	-	-	145,786	-	145,786
Transfer to inventories	-	-	-	(35,002)	-	(35,002)
Reclassify intangible assets	-	-	-	-	(1,295)	(1,295)
Transfer to expense	-	-	-	-	(476)	(476)
Effect of foreign currency exchange differences	-	(182)	(5,269)	(2,308)	(4,490)	(12,249)

Balance at December 31, 2023	$ 51,515	$ 297,789	$ 330,597	$ 577,856	$ 263,777	$ 1,521,534
Accumulated Depreciations and Impairments						
Balance at January 1, 2023	$ -	$ 111,903	$ 356,720	$ 337,734	$ -	$ 806,357
Depreciation	-	14,557	10,041	74,042	-	98,640
Disposal	-	-	(60,673)	(52,323)	-	(112,996)
Transfer to inventories	-	-	-	(14,771)	-	(14,771)
Effect of foreign currency exchange differences	-	(35)	(4,762)	(1,863)	-	(6,660)
Balance at December 31, 2023	$ -	$ 126,425	$ 301,326	$ 342,819	$ -	$ 770,570

(Note): Including transportation equipment, office equipment and miscellaneous equipment.

1. For the capitalized borrowing costs on property, plant and equipment, please refer to Note 6(32) for details.
2. As of December 31, 2024, there was no significant change in the accumulated impairment of property, plant and equipment.
3. Property, plant and equipment pledged for the borrowings: Please refer to Note 8.
4. Reconciliations of current additions and the acquisition of property, plant and equipment in statement of cash flows were as follows:

Item	2024	2023
Acquisition of property, plant and equipment	$ 517,506	$ 156,093
Decrease (increase) in equipment payable	(22,411)	1,662
Cash paid for acquisition of property, plant and equipment	$ 495,095	$ 157,755

(9) Lease agreement

1. Right-of-use assets

Item	December 31, 2024	December 31, 2023
Land	$ 142,064	$ 140,616
Building	103,400	97,558
Transportation facilities	10,017	4,996
Total cost	$ 255,481	$ 243,170
Less: Accumulated depreciations	(89,958)	(65,242)
Net amount	$ 165,523	$ 177,928

Cost	Land	Building	Transportation facilities	Total
Balance at January 1, 2024	$ 140,616	$ 97,558	$ 4,996	$ 243,170
Net increase	-	7,623	6,658	14,281
Net decrease	(237)	(5,277)	-	(5,514)
Derecognition upon maturity	-	-	(1,696)	(1,696)
Effect of foreign currency exchange differences	1,685	3,496	59	5,240

	Land	Building	Transportation facilities	Total
Balance at December 31, 2024	$ 142,064	$ 103,400	$ 10,017	$ 255,481

	Land	Building	Transportation facilities	Total
Accumulated Depreciations and Impairments				
Balance at January 1, 2024	$ 18,969	$ 43,327	$ 2,946	$ 65,242
Depreciation	6,048	20,833	2,095	28,976
Decrease for the period	-	(4,136)	-	(4,136)
Derecognition upon maturity	-	-	(1,696)	(1,696)
Effect of foreign currency exchange differences	108	1,459	5	1,572
Balance at December 31, 2024	$ 25,125	$ 61,483	$ 3,350	$ 89,958

Cost	Land	Building	Transportation facilities	Total
Balance at January 1, 2023	$ 141,864	$ 124,542	$ 6,227	$ 272,633
Net increase	-	42,360	1,245	43,605
Net decrease	(694)	(67,880)	-	(68,574)
Derecognition upon maturity	-	(359)	(2,476)	(2,835)
Effect of foreign currency exchange differences	(554)	(1,105)	-	(1,659)
Balance at December 31, 2023	$ 140,616	$ 97,558	$ 4,996	$ 243,170
Accumulated Depreciations and Impairments				
Balance at January 1, 2023	$ 12,946	$ 71,324	$ 3,209	$ 87,479
Depreciation	6,058	23,890	2,213	32,161
Decrease for the period	-	(51,152)	-	(51,152)
Derecognition upon maturity	-	(359)	(2,476)	(2,835)
Effect of foreign currency exchange differences	(35)	(376)	-	(411)
Balance at December 31, 2023	$ 18,969	$ 43,327	$ 2,946	$ 65,242

2. Lease liabilities

Item	December 31, 2024	December 31, 2023
Carrying amount of lease liabilities		
Current	$ 19,806	$ 21,788
Noncurrent	$ 119,094	$ 131,450

Ranges of discount rates for lease liabilities are as follows:

December 31, 2024	December 31, 2023
1.60%-3.53%	1.60%-3.53%

Please refer to Note 12(2) for the analysis of lease liabilities with repayment periods.

3. Material lease-in activities and terms

The Group leases certain land, buildings, and vehicles for operational use, with lease terms ranging from 1 to 50 years. Some leases include renewal options upon expiration of the lease term, while others calculate rent based on the area of leased land according to sectional values and rates or based on the announced current land value for the year. The Group has included the renewal option upon the expiration of the lease term in the lease liabilities. According to the contract agreement, without the consent of the lessor, the group shall not sublease the leased assets to others.

4. Sublease: None.

5. Other leasing information

(1) The current lease relevant expense information is as follows:

Item	2024		2023	
Short-term lease expenses	$	12,930	$	8,728
Low-value assets lease expenses	$	545	$	700
Total cash outflow of leases (Note)	$	(40,707)	$	(38,724)

(Note): This includes the principal payments of lease liabilities for the current period.

6. For information on the right-of-use assets provided as collateral, please refer to Note 8.

(10) Intangible assets

Item	December 31, 2024		December 31, 2023	
Computer software cost	$	28,196	$	22,693
Other intangible assets		-		5,000
Total cost	$	28,196	$	27,693
Less: Accumulated amortization		(14,457)		(11,025)
Net amount	$	13,739	$	16,668

Cost	Computer software cost		Other intangible assets		Total	
Balance at January 1, 2024	$	22,693	$	5,000	$	27,693
Additions		5,373		-		5,373
Property, plant and equipment transfer in		246		-		246
Derecognition upon maturity		(158)		(5,000)		(5,158)
Effect of foreign currency exchange differences		42		-		42
Balance at December 31, 2024	$	28,196	$	-	$	28,196

	Computer software cost		Other intangible assets		Total	
Accumulated Amortization						
Balance at January 1, 2024	$	6,775	$	4,250	$	11,025
Amortization expense		7,824		750		8,574
Derecognition upon maturity		(158)		(5,000)		(5,158)
Effect of foreign currency exchange differences		16		-		16
Balance at December 31, 2024	$	14,457	$	-	$	14,457

	computer software cost		Other intangible assets		Total	
Cost						
Balance at January 1, 2023	$	24,243	$	5,000	$	29,243
Additions		13,065		-		13,065
Property, plant and equipment transfer in		1,295		-		1,295
Derecognition upon maturity		(15,897)		-		(15,897)
Effect of foreign currency exchange differences		(13)		-		(13)
Balance at December 31, 2023	$	22,693	$	5,000	$	27,693
Accumulated Amortization						
Balance at January 1, 2023	$	14,162	$	3,250	$	17,412
Amortization expense		8,515		1,000		9,515
Derecognition upon maturity		(15,897)		-		(15,897)
Effect of foreign currency exchange differences		(5)		-		(5)
Balance at December 31, 2023	$	6,775	$	4,250	$	11,025

(11) Refundable deposits

Item	December 31, 2024		December 31, 2023	
Refundable deposit	$	6,984	$	5,701
Guarantee deposits		3,329		3,165
Guarantee deposit		-		15
Other deposits		1,515		2,407
Total	$	11,828	$	11,288

(12) Short-term loans

	December 31, 2024		
Borrowings Nature	Amount		Interest Rate
Working capital loan	$	5,000	2.848%

	December 31, 2023		
Borrowings Nature	Amount		Interest Rate
Working capital loan	$	97,000	2.075%-2.13%

For short-term borrowings, the Group provides certain other financial assets as collateral for the borrowings, please refer to Note 8 for details.

(13) Other payables

Item	December 31, 2024		December 31, 2023	
Wages and salaries payable	$	71,321	$	59,247
Commission payable		20,063		24,502
Social security and provident fund payable		11,979		11,360
Insurance payable		4,554		4,528
Interest payable		377		203
Machinery and equipment payable		27,615		5,204
Employee and director remunerations payable — current period		-		4,500
Other		26,259		33,003
Total	$	162,168	$	142,547

(14) Provisions liability – current

Item	December 31, 2024		December 31, 2023	
Employee benefits	$	8,839	$	9,117
Warranty provision		26,607		22,344
Total	$	35,446	$	31,461

	2024					
Item	Employee benefits		Warranty provision		Total	
Balance at January 1	$	9,117	$	22,344	$	31,461
The provisions liability added during the current period		8,627		35,905		44,532
The provisions used in the current period		(8,905)		(31,642)		(40,547)
Balance at December 31	$	8,839	$	26,607	$	35,446

	2023					
Item	Employee benefits		Warranty provision		Total	
Balance at January 1	$	10,222	$	82,637	$	92,859
The provisions liability added during the current period		8,591		300		8,891
The provisions used in the current period		(9,696)		(60,593)		(70,289)
Balance at December 31	$	9,117	$	22,344	$	31,461

1. Employee benefits provisions liability represent the estimation of employees' accrued short-term service leave rights.

2. The warranty type guarantee provided by the Group, which conforms to the agreed specifications, is related to the sales of the machinery products. The warranty provisions liability are estimated based on the historical warranty data of the product.

(15) Long-term liabilities, current portion

Item	December 31, 2024	December 31, 2023
Due within 1 year long-term borrowings	$ 26,029	$ 17,172

(16) Bonds payable

Item	December 31, 2024	December 31, 2023
Domestic third unsecured convertible bonds	$ 388,700	$ 1,000,000
Less: discount on bonds payable	(15,005)	(53,705)
Total	$ 373,695	$ 946,295

Third unsecured convertible bonds:

1. The Group was approved by the competent authority on June 22, 2022 to raise and issue the third domestic unsecured convertible bonds, with a total issuance amount of $1,000,000 thousand, a coupon rate of 0%, a term of five years, and a circulation period from July 13, 2022 to July 13, 2027. The convertible bonds will be repaid in cash at maturity at face value.
2. The conversion price of the bonds is set up based on the pricing model in the terms of the bonds. The conversion price at the time of issuance was NTD 67.60, and the number of converted shares as of December 31, 2024 was 9,423 thousand shares.
3. According to the conversion method regulations, all convertible bonds of the Company that are redeemed (including those repurchased by the securities firm's business office), repaid, or converted will be retired, and will no longer be sold or issued, with their attached conversion rights also extinguished.
4. In accordance with the conversion provisions, the bond holders have the right to require the Company to convert shares at any time during the period from the date after three months of the bonds issued to the maturity date, except for the accordance with the conversion provisions and suspension of the transfer period in accordance with regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
5. The Company may redeem all its outstanding bonds at face value in cash if, after three months from issuance and up to forty days before maturity, the closing price of the Company's common stock exceeds the then-conversion price of these convertible bonds for thirty consecutive business days, including 30%, or if the outstanding balance is less than 10% of the original issuance amount.

6. Bondholders may request the issuing company to repurchase at par value plus interest compensation on the maturity dates in 3 and 4 years. The interest compensation amounts for 3 and 4 years are total percentages of 1.5075% and 2.0151%, respectively. As of December 31, 2024, the redemption amount requested by bondholders is $0 thousand.
7. As of December 31, 2024, the Company redeemed the issued convertible bonds from the open market by own funds at a principal amount of $0 thousand.
8. The reconciliation of the 3rd bonds payable and statement of cash flows in this period is as follows:

Item	2024	2023
Bonds payable convert amount	$ 611,300	$ -
Conversion of discount on bonds payable35	(28,405)	-
Conversion of financial assets at fair value through profit or loss	(1,290)	-
Change in equity35	(581,605)	-
Cash paid for the current period	$ -	$ -

(17) Long-term loans

Item	December 31, 2024	December 31, 2023
Mortgage loans	$ 308,531	$ 90,095
Less: due within one year	(26,029)	(17,172)
Total	$ 282,502	$ 72,923
Interest rate range	2.125%-3.8%	2.213%-2.24%

For the collateral of the above-mentioned bank loan, please refer to Note 8 for details.

(18) Long-term deferred revenue

Item	December 31, 2024	December 31, 2023
Deferred revenue:		
Factory construction subsidy	$ 18,243	$ 17,341
Equipment subsidy	5,972	5,972
Subtotal	24,215	23,313
Less: cumulated recognized revenue	(1,449)	(862)
Less: reclassified advance receipts (current portion)	(854)	(398)
Ending balance	$ 21,912	$ 22,053

The factory construction subsidy is the subsidy for the factory construction given by the Nantong Economic & Technological Development Zone’s management committee, due to signing an investment agreement with the Group’s subsidiary- Superior Technology Semiconductor Co., Ltd.

(19) Pension

1. Defined contribution plans

(1) The pension system applicable to the Company and TECH-WAVE Industrial Co., Ltd. within the Group under the "Labor Pension Act" is a government-managed defined contribution retirement plan, where retirement funds are allocated to individual accounts at the Bureau of Labor Insurance based on 6% of employees' monthly salaries.

(2) The employees of the Group's subsidiaries in foreign regions are members of the local government's retirement benefit plans. The Group's obligation to the retirement benefit plans operated by the local government is limited to contributing a specific percentage of the salary costs to the retirement benefit plans.

(3) The Group has recognized the total expenses in the Consolidated Statements of Comprehensive Income for the amounts to be allocated according to the defined contribution plans for the years 2024 and 2023, which are 35,066 thousand and 31,496 thousand, respectively.

2. Defined benefit plans

(1) The amount of obligations arising from defined benefit plans included in the Consolidated Balance Sheets is shown as follows:

Item	December 31, 2024	December 31, 2023
Defined benefit obligation present value	$ 29,364	$ 31,815
Fair value of plan assets	(24,452)	(22,231)
Net defined benefit liabilities (assets)	$ 4,912	$ 9,584

(2) The changes in net defined benefit liabilities are listed as follows:

Item	2024		
	Present value of defined benefit plans obligations	Fair value of plan assets	Net defined benefit liabilities
Balance at January 1	$ 31,815	$ (22,231)	$ 9,584
Service cost			
Interest expense (income)	384	(268)	116
Recognized in profit or loss	$ 384	$ (268)	$ 116
Re-measurement amount			
Plan asset return (excluding interest included in net income)	$ -	$ (1,847)	$ (1,847)
Actuarial (loss) gain-			
Effect of changes in financial assumptions	(669)	-	(669)
Experience adjustment	550	-	550
Recognized in other comprehensive income (loss)	$ (119)	$ (1,847)	$ (1,966)
Employer contribution amount	-	(2,822)	(2,822)

Welfare payment amount	(2,716)	2,716	-
Balance at December 31	$ 29,364	$ (24,452)	$ 4,912

Item	2023		
	Present value of defined benefit plans obligations	Fair value of plan assets	Net defined benefit liabilities
Balance at January 1	$ 30,119	$ (19,515)	$ 10,604
Service cost			
Interest expense(income)	389	(253)	136
Recognized in profit or loss	$ 389	$ (253)	$ 136
Re-measurement amount			
Plan asset return (excluding interest included in net income	$ -	$ (122)	$ (122)
Actuarial (loss) gain-			
Effect of changes in financial assumptions	180	-	180
Experience adjustment	1,448	-	1,448
Recognized in other comprehensive income (loss)	$ 1,628	$ (122)	$ 1,506
Employer contribution amount	-	(2,662)	(2,662)
Welfare payment amount	(321)	321	-
Balance at December 31	$ 31,815	$ (22,231)	$ 9,584

(3) The Group is exposed to the following risks due to the pension system under the "Labor Standards Act" :

A. Investment risk

The Labor Fund Management Bureau of the Labor Department invests the Labor Retirement Fund in domestic (foreign) equity securities, debt securities, and cash in banks through self-management and entrusted management methods. However, the amount allocated for the Group's planned assets is calculated based on returns not lower than the local bank's 2-year fixed deposit interest rate.

B. Interest rate risk

The decrease in interest rates of government bonds will increase the present value of defined benefit obligations; however, the return on debt investments of plan assets will also increase, resulting in a partial offsetting effect on the net defined benefit liabilities.

C. Salary risk

The calculation of the present value of defined benefit obligations is based on the future salaries of plan members. Therefore, the increase in the salaries of plan members will result in an increase in the present value of defined benefit obligations.

(4) The present value of the Group's defined benefit obligation is determined by qualified actuaries. The significant assumptions for measurement date are listed as follows:

	Measurement Date	
Item	December 31, 2024	December 31, 2023
Discount rate	1.50%-1.60%	1.20%-1.25%
Future salary increase rate	2.00%-2.50%	2.00%-2.50%
Defined benefit obligation average duration	7-9 years	7-10 years

A. The assumptions regarding future mortality rates are based on the sixth experience life table of the Taiwan life insurance industry.

B. If significant actuarial assumptions undergo reasonably possible changes, while all other assumptions remain unchanged, the amount by which the present value of defined benefit obligations will increase (decrease) is as follows:

Item	December 31, 2024	December 31, 2023
Discount rate		
Increase 0.25%	$ (468)	$ (535)
Decrease 0.25%	$ 485	$ 560
Expected salary increase rate		
Increase 0.25%	$ 422	$ 488
Decrease 0.25%	$ (409)	$ (470)

Due to the potential interrelation of actuarial assumptions, the likelihood of a change in a single assumption is low; therefore, the above sensitivity analysis may not reflect the actual changes in the present value of defined benefit obligations.

(5) The Group anticipates that the allocation to the retirement plan for the year 2025 will be $782 thousand.

(20) Share capital

1. The reconciliation of the number and the amount of ordinary shares outstanding at the beginning and end of the period were as follows:

	2024	
	Shares (in thousand)	Amount
January 1	98,595	$ 985,954
Conversion of bonds payable	7,620	76,201
Employee stock options	212	2,120
December 31	106,427	$ 1,064,275

	2023		
	Shares (in thousand)	Amount	
January 1	100,771	$	1,007,703
Conversion of bonds payable	302		3,026
Employee stock options	12		125
Treasury shares canceled	(2,490)		(24,900)
December 31	98,595	$	985,954

(1) As of December 31, 2024, the Company has an authorized capital of $1,500,000 thousand, consisting of 150,000 thousand shares (including 5,000 thousand shares for the conversion of stock warrants, preferred shares with stock warrants or corporate bonds with stock warrants).

(2) The Company has issued employee stock options, with requests for the exercise of stock options in the years 2024 and 2023 amounting to 359 thousand shares and 0 thousand shares respectively, with an exercise price per share of NTD 29.9 and NTD 0. As of December 31, 2024 and 2023, there are still 147 thousand shares and 0 thousand shares pending transfer registration, with principal amounts of 1,468 thousand and 0 thousand recorded under advance receipts for shares.

(3) The Company issued convertible bonds have requested conversion to common shares in the amounts of $611,300 thousand and $0 thousand for the years 2024 and 2023, respectively, with the number of shares converted being 9,423 thousand shares and 0 thousand shares, as of December 31, 2024 and 2023, respectively. Among these, 7,620 thousand shares and 0 thousand shares have completed the registration change to be reclassified as capital, amounting to $76,201 thousand and $0 thousand, respectively. Additionally, there are still 1,803 thousand shares and 0 thousand shares that have not completed the registration change, with the recorded certificate of entitlement to new shares from convertible bond amounting to $18,026 thousand and $0 thousand, respectively.

(21) Capital surplus

Item	December 31, 2024		31 December 2023	
Stock issuance premium	$	1,680,517	$	1,138,916
The difference between equity price and book value of subsidiaries acquired or disposed of		9,786		9,786
Stock options		25,874		66,565
Employee stock options		9,310		13,474
Others - rights of inclusion		9,083		9,083
Total	$	1,734,570	$	1,237,824

Under the Company Act, the capital surplus generated from the excess of the issuance price over the par value of capital stock and donations can be used to offset deficit or may be distributed as stock dividends or in cash. Under the regulations of the Security

Exchange Law, the maximum amount transferred from the foregoing capital surplus to the Company's capital per year shall not be over 10% of the Company's paid-in capital. If the company has insufficient reserves to cover capital losses, it shall not supplement them with capital surplus. The capital surplus from long-term investments may not be used for any purpose.

(22) Share-based payment

1. Employee stock options - issued in June 2019

The Company issued 1,000 units of employee stock options for compensation on June 1, 2019. Each unit of stock option certificate entitles the holder to subscribe for number of ordinary shares, each consisting of 1,000 shares, with the exercise price per share being NTD 16, which is not less than 50% of the closing price of the Company's ordinary shares on the issuance date of this employee stock option certificate. Upon the issuance of the warrants, if there is any change in the ordinary shares of the Company, the exercise price shall be adjusted according to a specific formula. The duration of the issued warrants is four years. Employees may exercise their warrant rights in accordance with the Employee Stock Option Plan after two years from the grant of the warrants. The Company recognized a compensation cost of 0 thousand for the employee stock options for the years 2024 and 2023.

(1) The information related to the number of stock options and the weighted average exercise price of the employee stock options for the years 2024 and 2023 is disclosed as follows:

2024: None.

	2023	
Stock Options	Quantity (thousand shares)	Weighted Average Exercise Price
Outstanding shares at the beginning of the period	30	15.40
Current period granted	-	-
Current period exercise	-	-

	2023	
Stock Options	Quantity (thousand shares)	Weighted Average Exercise Price
This period has received	(30)	15.40
Outstanding at end of period	-	-
Stock options exercisable at the end of the period	-	

(2) The Company grants share-based payments transactions using the Black-Scholes option pricing model to estimate the fair value of stock options granted on the grant date. The weighted average information and fair value of each factor are as follows:

Grant date	June 1, 2019
Dividend yield	0%
Expected volatility	41.92%~43.92%
Risk-free interest rate	0.54%~0.55%
Expected life	3 ~ 3.5 years
The fair value of weighted-average price (per share)	$14.86~$15.02

2. Employee stock options - issued in November 2021

The Company issued employee stock options for compensation on November 15, 2021 for 500 units. For each unit of stock option certificate, the holder may subscribe for number of ordinary shares, each consisting of 1,000 shares, with the exercise price per share being NTD 32, which is not less than 50% of the Company's ordinary stock closing price on the issuance date of this employee stock option certificate. Upon the issuance of the warrants, if there is any change in the ordinary shares of the Company, the exercise price shall be adjusted according to a specific formula. The duration of the issued warrants is five years. Employees may exercise their warrant rights in accordance with the Employee Stock Option Plan after two years from the grant of the warrants. The Company recognized employee stock option compensation costs for the years 2024 and 2023 amounting to 2,229 thousand and 6,049 thousand, respectively.

(1) The information related to the number of stock options and the weighted average exercise price of the employee stock options plan for the years 2024 and 2023 is disclosed as follows:

	2024	
Stock Options	Quantity (thousand shares)	Weighted Average Exercise Price
Outstanding shares at the beginning of the period	500	30.10
Current period granted	-	-
Current period exercise	(359)	29.90
This period has received	(13)	29.90
Outstanding at end of period	128	29.90
Stock options exercisable at the end of the period	128	

Stock Options	2023	
	Quantity (thousand shares)	Weighted Average Exercise Price
Outstanding shares at the beginning of the period	500	31.30
Current period granted	-	-
Current period exercise	-	-
This period has received	-	-
Outstanding at end of period	500	30.10
Stock options exercisable at the end of the period	500	

(2) As of December 31, 2024 and December 31, 2023, the information related to outstanding employee stock options is disclosed as follows:

	December 31, 2024	December 31, 2023
Range of exercise price (NT$)	29.90	30.10
Weighted average remaining contract term (years)	1.875	2.875

(3) The Company grants share-based payments transactions using the Black-Scholes option pricing model to estimate the fair value of stock options granted on the grant date. The weighted average information and fair value of each factor are as follows:

Grant date	November 15, 2021
Dividend yield	0%
Expected volatility	43.12%~43.63%
Risk-free interest rate	0.40%~0.43%
Expected life	3.5 ~4.5 years
The fair value of weighted-average price (per share)	$35.52~$37.02

3. Treasury shares transferred to employees: please refer to Note 6(25) for details.

(23) Retained earnings and dividend policies

1. According to the surplus distribution policy of the Articles of Incorporation, if there is a surplus in the Company's annual final accounts, it shall be distributed in the following order:
   (1) Pay taxes in accordance with the law.
   (2) Covering prior years' accumulated deficit.
   (3) Allocate 10% as legal reserve, but when legal reserve has accumulated to the total capital of the Company, this restriction does not apply.
   (4) In accordance with legal regulations or operational necessity, allocate special reserves; after deducting the aforementioned balance, and adding the accumulated unappropriated retained earnings from the previous year, the board of directors shall draft a proposal for shareholder dividend distribution, to be submitted to the shareholders' meeting for resolution.

(5) If the Company distributes dividends or all or part of the legal reserve and capital surplus in the form of cash, the board of directors is authorized to do so with the attendance of more than two-thirds of the directors and the consent of a majority of the attending directors, and report to the shareholders' meeting.

The Company will align with the environment and growth stage it is in, based on capital expense, business expansion needs, sound financial planning, and balancing shareholder interests to seek sustainable development. The Company's dividend policy will depend on the company's future capital expense budget and funding needs, allocating no less than 10% of the distributable surplus for shareholder dividends. However, if the accumulated distributable surplus is less than the 5% of paid-in share capital, it may not be distributed. When distributing shareholder dividends, it may be done in the form of stock dividends or cash dividends, wherein the distribution ratio of cash dividends shall not be lower than 10% of the total shareholder dividends. If the company has significant investment or development policies, it may distribute them entirely as stock dividends.

2. Except for covering company losses and issuing new shares or cash according to the original shareholding ratio of shareholders, legal reserve shall not be used. However, for issuing new shares or cash, it is limited to the portion of the reserve exceeding 25% of the paid-in capital.

3. Special reserve

Item	December 31, 2024	December 31, 2023
Other equity provision amount	$ 31,456	$ 36,409

When the Company distributes surplus, it must, in accordance with legal regulations, offset the debit balance of the other equity interest item as of the balance sheet date for the current year before distribution. When the debit balance of the other equity interest item is reversed later, the reversed amount may be included in the distributable surplus.

4. The Company approved the earning appropriation proposals for 2023 and 2022 and the dividends per share as follows at the board meetings in March 2024 and 2023 and the shareholders' meetings in June 2024 and 2023:

	Earning Appropriation		Dividend Per Share ($)	
	2023	2022	2023	2022
Legal reserve	$ -	$ 39,149		
Special reserve	(4,953)	25,224		
Cash dividends of common stock	49,829	195,545	0.5	2
Total	$ 44,876	$ 259,918		

5. The Company proposed the appropriation of losses for the year 2024 at the board meeting on March 6, 2025. Due to the loss for the year, only the reversal of the debit balance of other equity interest amounting to special reserve 28,752 thousand will be made, with no earning appropriation.

6. Regarding the proposal of the Board of Directors and the resolution on the distribution of earnings approved by the shareholders' meeting, please refer to the Market Observation Post System website of the Taiwan Stock Exchange.

(24) Other equity

Item	Exchange differences on translation of foreign financial statements	Unrealized (loss) gain on financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2024	$ (15,465)	$ (15,991)	$ (31,456)
Exchange differences on translation of foreign financial statements	19,688	-	19,688
Unrealized (loss) gain on financial assets measured at fair value through other comprehensive income	-	6,838	6,838
Disposal of equity instruments at fair value through other comprehensive income	-	2,226	2,226
Balance at December 31, 2024	$ 4,223	$ (6,927)	$ (2,704)

Item	Exchange differences on translation of foreign financial statements	Unrealized (loss) gain on financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2023	$ (8,934)	$ (27,475)	$ (36,409)
Exchange differences on translation of foreign financial statements	(6,531)	-	(6,531)
Unrealized (loss) gain on financial assets measured at fair value through other comprehensive income	-	11,484	11,484
Balance at December 31, 2023	$ (15,465)	$ (15,991)	$ (31,456)

(25) Treasury shares

1. Reason for share buyback and changes in quantity

Unit: Thousand Shares

	2024			
Recovery reasons	January 1	Additions	Reductions	December 31
Employee benefits	2,823	-	-	2,823

Unit: Thousand Shares

	2023			
Recovery reasons	January 1	Additions	Reductions	December 31
Employee benefits	1,823	1,000	-	2,823
To maintain the Company's credibility and shareholders' interest	1,490	1,000	(2,490)	-

(1) The Company resolved on August 17, 2021 to buy back up to 1,000 thousand treasury shares between September 18, 2021 and October 17, 2021. As of the expiration date of the repurchase period, the Company has repurchased a total of 834 thousand shares, amounting to $54,075 thousand.

(2) The Company resolved on October 13, 2022 to maintain the Company's credibility and shareholders' interest, and the board of directors approved the buyback of up to 1,500 thousand treasury shares between November 14, 2022 and December 13, 2022. As of the expiration date of the repurchase period, the Company has repurchased a total of 1,490 thousand shares, amounting to $82,535 thousand. The treasury shares were written off in March 2023.

(3) The Company resolved on October 13, 2022 to transfer to employees, and the board of directors approved the buyback of up to 1,000 thousand treasury shares between October 14, 2022 and November 13, 2022. As of the expiration date of the repurchase period, the Company has repurchased a total of 989 thousand shares, amounting to $51,706 thousand.

(4) The Company resolved on March 21, 2023 to maintain the Company's credibility and shareholders' interest, and the board of directors approved the buyback of up to 1,000 thousand treasury shares between March 22, 2023 and May 21, 2023. As of the expiration date of the repurchase period, the Company has repurchased a total of 1,000 thousand shares, amounting to $50,564 thousand. The treasury shares were written off in August 2023.

(5) The Company resolved on June 5, 2023 to transfer to employees, and the board of directors approved the buyback of up to 1,000 thousand treasury shares from June 6, 2023 to August 5, 2023. As of the expiration date of the repurchase period, the Company has repurchased a total of 1,000 thousand shares, amounting to $60,944 thousand.

2. Based on the Securities and Exchange Act of the ROC, the number of reacquired shares should not exceed 10% of an entity' s issued and outstanding shares, and the total purchase amount should not exceed the sum of the retained earnings, additional paid-in capital in excess of par and realized capital surplus.
3. Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as rights to dividends and to vote.
4. According to the Securities and Exchange Act, shares repurchased for the purpose of transferring to employees must be transferred within five years from the date of repurchase. If not transferred within this period, they shall be deemed as unissued shares of the Company and the registration for the change must be processed to cancel the shares. To maintain the Company's credibility and shareholders' interest, the repurchased shares should be registered for cancelation within six months from the date of repurchase.

(26) Non-controlling Interests

Item	2024	2023
Opening balance	$ 44,175	$ 69,255
Attributable to non-controlling interests:		
Net profit (loss)	(7,734)	(7,336)
Other comprehensive income	1,039	(494)
Non-controlling interests decrease - sale and liquidation	(34,503)	(11,816)
Non-controlling interests decrease - difference between acquisition cost and equity net value	12,805	(5,434)
Balance at end of period	$ 15,782	$ 44,175

(27) Operating revenue

Item	2024	2023
Revenue from contracts with customers		
Total operating revenue	$ 1,662,076	$ 1,578,623
Sales returns	(13,890)	(26,360)
Sales discounts	(3,278)	(2,889)
Operating revenue net amount	$ 1,644,908	$ 1,549,374

1. Description of customer contracts

Sales of mechanical products, flexible printed circuit (FPC) and semiconductor materials are mainly to downstream customer. It is sold at the price agreed in the contract.

2. Contract revenue details:

The Group's revenue can be subdivided into the following main product lines and geographical regions:

2024:

Major regional markets	Automation machinery	Electronics	Net amount
Taiwan	$ 589,316	$ 48,656	$ 637,972
Hong Kong and China	250,043	174,980	425,023
Southeast Asia	178,583	109,114	287,697
America	224,560	-	224,560
Europe	13,886	-	13,886
Other countries	42,862	12,908	55,770
Total	$ 1,299,250	$ 345,658	$ 1,644,908

2024:

Main product line	Automation machinery	Electronics	Net amount
Automation machinery	$ 1,299,250	$ -	$ 1,299,250
Flexible printed circuit (FPC)	-	40,877	40,877
Semiconductor materials	-	304,781	304,781
Other	-	-	-
Total	$ 1,299,250	$ 345,658	$ 1,644,908
Timing of revenue recognition			
Obligations fulfilled at a point of time	$ 1,299,250	$ 345,658	$ 1,644,908
Obligations fulfilled over time	-	-	-
Total	$ 1,299,250	$ 345,658	$ 1,644,908

2023:

Major regional markets	Automation machinery	Electronics	Net amount
Taiwan	$ 305,257	$ 52,375	$ 357,632
Hong Kong and China	157,667	172,906	330,573
Southeast Asia	392,992	116,047	509,039
America	287,847	-	287,847
Europe	45,824	-	45,824
Other countries	240	18,219	18,459
Total	$ 1,189,827	$ 359,547	$ 1,549,374
Main product line			
Automation machinery	$ 1,189,827	$ -	$ 1,189,827
Flexible printed circuit (FPC)	-	49,642	49,642
Semiconductor materials	-	307,822	307,822
Other	-	2,083	2,083
Total	$ 1,189,827	$ 359,547	$ 1,549,374

Timing of revenue recognition	Automation machinery	Electronics	Net amount
Obligations fulfilled at a point of time	$ 1,189,827	$ 359,547	$ 1,549,374
Obligations fulfilled over time	-	-	-
Total	$ 1,189,827	$ 359,547	$ 1,549,374

3. Contract balances

The Group recognizes the receivable, contract assets and contract liabilities related to contract revenue as follows:

Item	December 31, 2024	December 31, 2023	January 1, 2023
Accounts Receivable	$ 531,765	$ 441,329	$ 774,830
Contract assets	-	-	-
Total	$ 531,765	$ 441,329	$ 774,830
Contract liabilities - current	$ 29,347	$ 23,038	$ 37,187

(1) Significant changes in contract assets and contract liabilities

The change in the contract assets and contract liabilities primarily result from the timing difference between the satisfaction of performance obligation and the customer’s payment, and there is no other significant change.

(2) The amount recognized as revenue during the period from the beginning balance of contract liabilities and performance obligations satisfied in prior periods is as follows:

The amount recognized as revenue for the current period	2024	2023
From opening balance of contract liabilities - product sales	$ 23,038	$ 32,513
Revenue from performance obligations satisfied in prior periods	$ -	$ -

(28) Labor cost, depreciation and amortization expense

	2024		
Nature of expense	Operating Costs	Operating Expenses	Total
Labor cost			
Salaries	$ 98,918	$ 315,592	$ 414,510
Labor and health insurance expenses	4,278	24,448	28,726
Pension	15,300	19,882	35,182
Other employee benefit expenses	4,370	13,612	17,982
Depreciation	36,692	115,682	152,374
Amortization expense	49	8,525	8,574
Total	$ 159,607	$ 497,741	$ 657,348

	2023		
Nature of expense	Operating Costs	Operating Expenses	Total
Labor cost			
Salaries	$ 96,963	$ 278,932	$ 375,895
Labor and health insurance expenses	4,215	23,005	27,220
Pension	14,101	17,531	31,632
Other employee benefit expenses	5,055	9,414	14,469
Depreciation	48,655	82,146	130,801
Amortization expense	-	9,515	9,515
Total	$ 168,989	$ 420,543	$ 589,532

1. The Company allocates the pre-tax profit before distribution of employee and director remunerations for the current year at 5% to 10% and no more than 3% for employee remuneration and director remuneration. For the year 2024, due to the profit before tax being negative, the estimated employee and director remunerations are both 0 thousand; for the year 2023, the estimated employee remuneration is 3,400 thousand, and the director remuneration is 1,100 thousand. If there are changes in the amounts after the release date of the annual financial statements, they will be handled according to changes in accounting estimates and adjusted in the next fiscal year.

2. The Company resolved on March 6, 2025 and March 6, 2024 to approve the employee compensation and director remuneration for the years 2024 and 2023, as well as the amounts recognized in the financial statements, as follows:

	2024		2023	
	Employee Remuneration	Director Remuneration	Employee Remuneration	Director Remuneration
Resolution distribution amount	$ -	$ -	$ 3,400	$ 1,100
Amount stated in the annual financial statements	-	-	3,400	1,100
Amount Difference	$ -	$ -	$ -	$ -

The above employee remuneration is distributed in cash.

3. Regarding the information on the Company's board of directors' resolution on employee and director remunerations, please refer to the Market Observation Post System website of the Taiwan Stock Exchange.

(29) Interest revenue

Item	2024	2023
Interest income		
Interest on bank deposits	$ 13,515	$ 23,639

(30) Other income

Item	2024	2023
Rent income	$ 2,032	$ 102
Dividend income	942	890
Other income	4,120	2,531
Total	$ 7,094	$ 3,523

(31) Other gains and losses

Item	2024	2023
Gain (loss) on foreign exchange, net	$ 47,649	$ (2,734)
Financial assets (liabilities) gains (losses) at fair value through profit or loss	15,784	14,461
Gains (loss) on disposals of financial assets at fair value through profit or loss	7,862	2,052
Gains on disposals of investments	-	1,133
Gains (loss) on disposals of property, plant and equipment	(916)	387
Gain on lease modification	132	1,468
Impairment loss (Note)47	(4,524)	-
Other expenses	(626)	(948)
Total	$ 65,361	$ 15,819

(Note): This refers to the loss that cannot be recovered from jointly developed equipment with other manufacturers.

(32) Finance costs

Item	2024	2023
Interest expense：		
Bank loans	$ 8,902	$ 2,457
Convertible bonds	10,295	14,825
Interest on lease liabilities	3,380	4,212
Less: Amount of capitalized assets that meet the criteria	(2,200)	-
Finance costs	$ 20,377	$ 21,494

(33) Income tax

1. Tax expense:

(1) Tax expense components:

	2024	2023
Current income tax		
Income tax incurred in current period	$ 1,533	$ 12,157

	2024	2023
Unappropriated retained earnings additional tax amount	-	6,147
Non-deductible foreign tax	3,050	1,108
Adjustment in respect of prior year	(8,350)	(275)
The total of current income tax	$ (3,767)	$ 19,137
Deferred income tax		
The origination and reversal of temporary differences	$ 9,280	$ (4,397)
The total of deferred income tax	$ 9,280	$ (4,397)
Income tax expense (benefit)	$ 5,513	$ 14,740

The applicable tax rate used by the group entities in Republic of China is 20%. In addition, the tax rate applicable to unappropriated earning is 5%. The tax amounts generated from other jurisdictions are calculated based on the applicable tax rates of each relevant jurisdiction.

(2) Tax expenses (benefits) related to other comprehensive income:

Item	2024	2023
Exchange differences on translation of foreign financial statements	$ 467	$ (214)
Defined benefit plan remeasurement amount	393	(301)
Total	$ 860	$ (515)

2. The reconciliation of the current year's accounting income and the tax expense recognized in profit or loss is as follows:

Item	2024	2023
Income (loss) before income tax	$ (53,346)	$ 38,315
Profit before tax calculated at the statutory tax rate	(20,659)	(11,838)
Adjustments tax impact:		
Other	(7,990)	5,787
Loss deduction	30,182	18,208
Unappropriated retained earnings additional tax amount	-	6,147
Adjustment in respect of prior year	(8,350)	(275)
Non-deductible foreign tax	3,050	1,108
Item	2024	2023
Net changes in deferred income tax		
Temporary differences	9,280	(4,397)
Recognized in profit or loss as tax expense	$ 5,513	$ 14,740

3. Deferred tax assets or liabilities arising from temporary differences, loss offsets, and investment deductions: deferred tax assets

	2024				
	Opening balance	Recognized in (profit) or loss	Recognized in other comprehensive income (loss)	Effect of foreign currency exchange differences	Ending balance
Deferred tax assets：					
Temporary differences					
Net defined benefit liabilities	$ 1,916	$ (541)	$ (393)	$ -	$ 982
Unrealized net loss on foreign currency exchange	2,542	(2,542)	-	-	-
Short-term warranty provision	4,396	925	-	-	5,321
Unrealized inventory loss	15,511	2,433	-	-	17,944
Unrealized losses on doubtful debts	636	(636)	-	-	-
Unused vacation bonus	1,573	(79)	-	-	1,494
Unused loss carryforward	10,519	(284)	-	250	10,485
Investments accounted for using equity method loss	6,141	(4,067)	(467)	-	1,607
Other	8,565	(1,514)	-	-	7,051
Subtotal	$ 51,799	$ (6,305)	$ (860)	$ 250	$ 44,884
Deferred tax liabilities					
Temporary differences					
Unrealized foreign exchange gains	$ -	$ (3,251)	$ -	$ -	$ (3,251)
Investments accounted for using equity method profit	(276)	276	-	-	-
Subtotal	$ (276)	$ (2,975)	$ -	$ -	$ (3,251)
Total	$ 51,523	$ (9,280)	$ (860)	$ 250	$ 41,633

	2023				
	Opening balance	Recognized in (profit) or loss	Recognized in other comprehensive income (loss)	Effect of foreign currency exchange differences	Ending balance
Deferred tax assets：					
Temporary differences					
Net defined benefit liabilities	$ 2,120	$ (505)	$ 301	$ -	$ 1,916
Unrealized net loss on foreign currency exchange	7	2,535	-	-	2,542
Short-term warranty provision	16,370	(11,974)	-	-	4,396
Unrealized inventory loss	16,676	(1,165)	-	-	15,511
Unrealized losses on doubtful debts	1,051	(415)	-	-	636

	Opening balance	Recognized in (profit) or loss	Recognized in other comprehensive income (loss)	Effect of foreign currency exchange differences	Ending balance
Unused vacation bonus	1,781	(208)	-	-	1,573
Unused loss carryforward	4,857	5,753	-	(91)	10,519
Investments accounted for using equity method loss	482	5,659	-	-	6,141
Other	7,435	1,130	-	-	8,565
Subtotal	$ 50,779	$ 810	$ 301	$ (91)	$ 51,799

	2023				
	Opening balance	Recognized in (profit) or loss	Recognized in other comprehensive income (loss)	Effect of foreign currency exchange differences	Ending balance
Deferred tax liabilities					
Temporary differences					
Unrealized foreign exchange gains	$ (1,892)	$ 1,892	$ -	$ -	$ -
Investments accounted for using equity method profit	(2,185)	1,695	214	-	(276)
Subtotal	$ (4,077)	$ 3,587	$ 214	$ -	$ (276)
Total	$ 46,702	$ 4,397	$ 515	$ (91)	$ 51,523

4. Items not recognized as deferred tax assets item

Item	December 31, 2024	December 31, 2023
Temporary differences that can be eliminated	$ 46,492	$ 27,718
Net loss	59,208	34,303
Total	$ 105,700	$ 62,021

5. The Company profit-seeking business income tax has been assessed by the tax authority up to the year 2022.

(34) Other comprehensive income (loss)

Item	2024		
	Before tax	Income tax (expense) benefit	Net amount after tax
Items that will not be reclassified subsequently to profit or loss：			
Defined benefit plan remeasurement amount	$ 1,966	$ (393)	$ 1,573
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	6,838	-	6,838
Subtotal	$ 8,804	$ (393)	$ 8,411
Exchange differences on translation of foreign financial statements	$ 21,051	$ (467)	$ 20,584
Subtotal	$ 21,051	$ (467)	$ 20,584
Recognized in other comprehensive income (loss)	$ 29,855	$ (860)	$ 28,995

Item	2023		
	Before tax	Income tax (expense) benefit	Net amount after tax
Items that will not be reclassified subsequently to profit or loss：			
Defined benefit plan remeasurement amount	$ (1,506)	$ 301	$ (1,205)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	11,484		11,484
Subtotal	$ 9,978	$ 301	$ 10,279

Item	2023		
	Before tax	Income tax (expense) benefit	Net amount after tax
Items that may be reclassified subsequently to profit or loss：			
Exchange differences on translation of foreign financial statements	$ (7,215)	$ 214	$ (7,001)
Subtotal	$ (7,215)	$ 214	$ (7,001)
Recognized in other comprehensive income (loss)	$ 2,763	$ 515	$ 3,278

(35) Transactions with non-controlling interests

1. Acquisition of additional subsidiary’ s equity

2024:

In March 2024, the Group purchased additional 9.39% equity in the subsidiary - Superior Technology Semiconductor Co., Ltd (renamed Superior Technology Semiconductor Co., Ltd in August 2024) with cash $34,503 thousand, resulting in an increase in shareholding ratio from 90.61% to 100%. Since the aforementioned transaction did not change the Group's control over the subsidiary, it is treated as an equity transaction by the Group:

Item	Superior Technology
Carrying amount of non-controlling interests purchased	$ 21,698
Purchase price of non-controlling interests	(34,503)
Accumulated profit and loss － the difference between the actual acquisition or disposal of subsidiary equity price and the book value Value Difference	$ (12,805)

2023:

In August 2023, the Group purchased additional 10% of the issued shares of the subsidiary E&R Semiconductor Materials Co., Ltd. with cash $5,200 thousand, resulting in an increase in shareholding ratio from 90% to 100%. Since the aforementioned transaction did not change the Group's control over the subsidiary, it is treated as an equity transaction by the Group:

Item	E&R Semiconductor Materials Co., Ltd.
Carrying amount of non-controlling interests purchased	$ 10,634
Purchase price of non-controlling interests	(5,200)
Capital Surplus － the difference between the actual acquisition or disposal of ownership interests in subsidiaries price and the book value Value Difference	$ 5,434

(36) Earnings per share

Item	2024	2023
A. Basic earnings per share：		
Net profit	$ (51,125)	$ 30,911
Weighted average shares outstanding for the current period (in thousands)	101,138	96,569
Basic earnings per share (after tax) ($)	$ (0.51)	$ 0.32

Item	2024	2023
B. Diluted earnings per share：		
Net profit	$ (51,125)	$ 30,911
Interest on convertible bonds	-	-
Net profit after adjusted diluted effect	$ (51,125)	$ 30,911
Weighted average shares outstanding for the current period (in thousands)	101,138	96,569
Effect of potential dilutive ordinary shares:		

Convertible bonds (in thousands)	-	-
Impact of employee stock options (in thousands)	-	191
Impact of employee compensation (in thousands)	-	504
Weighted average shares outstanding after adjusting for potential dilutive ordinary shares (in thousand)	101,138	97,264
Diluted earnings per share (after tax) ($)	$ (0.51)	$ 0.32

7. Related Party Transactions

(1) Parent company and ultimate controlling party:

The Company is the ultimate controller of the group.

(2) Name of related party and its relationship: None.

(3) Significant transactions with related parties:

1. Operating revenue: None.
2. Purchase: None.
3. Contract assets: None.
4. Contract liabilities: None.
5. Accounts receivable from related parties (excluding Loans to related parties): None.
6. Amounts payable to related parties (excluding borrowings from related parties): None.
7. Prepayments: None.
8. Property transactions: None.
9. Lease agreement: None.
10. Rent agreement: None.
11. Loans to related parties: None.
12. Borrowings from related parties: None.
13. Endorsement guarantee: None.
14. Others

(4) Key management compensation information

Category/Name of Related Party	2024	2023
Salaries and other short-term employee benefits	$ 25,177	$ 27,466
Post-retirement benefits	926	882
Share-based payments	700	1,890
Total	$ 26,803	$ 30,238

8. Pledged Assets

The following assets have been provided as collateral for various loans and performance guarantees:

Item	December 31, 2024	December 31, 2023
Other financial assets － current	$ 6,419	$ 28,633
Other financial assets － noncurrent	5,900	6,900
Right-of-use assets	31,332	-
Property, plant and equipment (net)	690,618	196,652
Total	$ 734,269	$ 232,185

9. Significant Contingent Liabilities and Unrecognized Contractual Commitments

(1) As of December 31, 2024 and 2023, the guarantee notes issued by the Group for loan amounts were $927,840 thousand and $923,680 thousand, respectively, recorded under the accounts of guarantee notes issued and guarantee notes payable.

(2) As of December 31, 2024 and 2023, the group provided certificates of deposit amounting to $710 thousand to the Kaohsiung Customs Bureau of the Ministry of Finance as guarantee for the deposit of import and export goods.

(3) The Group applied to the Taipei Computer Association for equipment development projects on December 31, 2024 and 2023, with performance bonds provided by the bank amounting to $995 thousand and $21,587 thousand, respectively.

(4) As of December 31, 2024 and 2023, the Group' s unused letters of credit details are as follows:

Unit: thousand

Item	December 31, 2024		December 31, 2023	
Foreign letter of credit	USD	199	USD	198
	JPY	6,812	JPY	19,032
	EUR	-	EUR	201

(5) The Company has the following amount of bank acceptance for the import of goods:

Unit: thousand

Item	December 31, 2024		December 31, 2023	
Bank acceptance	USD	139	USD	152
	JPY	49,135	JPY	114,412

(6) Material capital expense under a contract but not yet incurred:

Item	31 December 2024	31 December 2023
Property, plant and equipment	$ 395,613	$ 47,715

(7) The Group signed a factory purchase contract with Zen Voce Co., Ltd. in May 2022, agreeing that after the completion of the new factory construction project of its subsidiary - Superior Technology Semiconductor Co., Ltd. (renamed Superior Technology Semiconductor Co., Ltd in 2024), it would sell part of the floors of the newly constructed factory. The Group received a performance guarantee deposit of 71,056 thousand in July 2022 (recorded under guarantee deposits received). After the completion of the aforementioned factory construction project, due to legal restrictions, it is not possible to sell certain floors, and both parties are currently negotiating the subsequent handling procedures

10. Significant Disaster Loss: None.

11. Significant Subsequent Events After the Reporting Period: None.

12. Others

(1) Capital risk management

The Group needs to maintain sufficient capital to support the expansion and enhancement of its property, plant, and equipment. Therefore, the Group's capital management is aimed at ensuring the availability of necessary financial resources and operational plans to support the operational funding, capital expenditures, and debt repayments required for the next 12 months.

(2) Financial instruments

1. Financial risks of financial instruments

Financial risk management policy

The Group's daily operations are affected by various financial risks, including market risk (comprising exchange rate risk, price risk, and interest rate risk), credit risk, and liquidity risk. To mitigate related financial risks, the Group is committed to identifying, assessing, and avoiding market uncertainties to reduce the potential adverse impact of market fluctuations on the Group's financial performance.

The Group's significant financial activities are reviewed by the Board of Directors in accordance with relevant regulations and internal control systems. During the execution of the financial plan, the Group must strictly adhere to the relevant financial operating procedures concerning overall financial risk management and the division of responsibilities.

The nature and degrees of significant financial risks

(1) Market risk

A. Foreign exchange rate risk

(A) The Group is exposed to exchange rate risks arising from sales, purchases, and borrowing transactions not denominated in the Group’s functional currency, as well as from net investments in foreign operations. The functional currency of the Group is primarily New Taiwan Dollars. The currencies primarily used for these transactions include USD, EUR, CNY, and JPY. To avoid a decrease in the value of foreign currency assets and fluctuations in future cash flows due to exchange rate changes, the Group uses foreign currency borrowings to mitigate exchange rate risk. The use of such financial instruments can assist the Group in reducing, but not completely eliminating, the impacts caused by fluctuations in foreign currency exchange rates.

As the net investment in foreign operating entities is a strategic investment, the Group has not undertaken any hedging for it.

(B) Exchange rate risk and sensitivity analysis

		December 31, 2024			
		Carrying Value	Sensitivity Analysis		
Foreign Currency	Exchange Rate	(NTD)	Range of Change	Impact on Profit and Loss	Impact on Equity
(Foreign currency: functional currency)					

Financial assets						
Monetary item						
USD: NTD	11,036	32.785	361,804	1% appreciation	3,618	-
JPY: NTD	157,967	0.2107	33,284	1% appreciation	333	-
CNY: NTD	84,795	4.5608	386,733	1% appreciation	3,867	-
USD: CNY	2,346	7.1884	76,900	1% appreciation	769	-

			December 31, 2024			
			Carrying Value	Sensitivity Analysis		
	Foreign Currency	Exchange Rate	(New Taiwan Dollars)	Range of Change	Impact on Profit and Loss	Impact on Equity
(Foreign currency: functional currency)						
Financial liabilities						
Monetary item						
JPY: NTD	49,135	0.2107	10,353	1% appreciation	(104)	-
USD: NTD	834	32.785	27,353	1% appreciation	(274)	-
USD: CNY	3,243	7.1884	106,329	1% appreciation	(1,063)	-
USD: HKD	1,462	7.7625	47,928	1% appreciation	(479)	-

			December 31, 2023			
			Carrying Value	Sensitivity Analysis		
	Foreign Currency	Exchange Rate	(New Taiwan Dollars)	Range of Change	Impact on Profit and Loss	Impact on Equity
(Foreign currency: functional currency)						
Financial assets						
Monetary item						
USD: NTD	18,590	30.705	570,819	1% appreciation	5,708	-
JPY: NTD	278,720	0.2176	60,649	1% appreciation	606	-
CNY: NTD	40,788	4.3352	176,823	1% appreciation	1,768	-
USD: CNY	2,119	7.0828	65,074	1% appreciation	651	-
Financial liabilities						
Monetary item						
JPY: NTD	90,790	0.2176	19,756	1% appreciation	(198)	-
USD: NTD	990	30.705	30,394	1% appreciation	(304)	-
USD: CNY	2,255	7.0828	69,245	1% appreciation	(692)	-
USD: HKD	1,396	7.8158	42,876	1% appreciation	(429)	-
JPY: NTD	49,987	0.0502	10,877	1% appreciation	(109)	-

If the value of the New Taiwan Dollar appreciates against the above currencies, assuming all other variables remain unchanged, there will be an equal but opposite impact on the amounts reflected in the above currencies on December 31, 2024 and 2023.

The Group's monetary item is significantly affected by exchange rate fluctuations, with the total recognized exchange gains and losses (including realized and unrealized) for the years 2024 and 2023 amounting to $47,649 thousand and $(2,734) thousand, respectively.

B. Price risk

Due to the investments held by the Group in Consolidated Balance Sheets, classified as financial assets at fair value through profit or loss and through other comprehensive income at fair value, the Group is exposed to price risk of equity instruments.

The Group primarily invests in financial instruments such as (un)listed stocks and funds, and the prices of these financial instruments are affected by the uncertainty of the future value of the investment targets.

If the prices of these financial instruments rise or fall by 1%, while all other factors remain unchanged, the net profit after tax for the years 2024 and 2023 from gains or losses on financial assets measured at fair value through profit or loss will increase by $2,338 thousand and $3,440 thousand, respectively. For the years 2024 and 2023, the other comprehensive income (loss), net of income tax will increase or decrease by $846 thousand and $513 thousand, respectively, due to the fair value changes of financial assets measured at fair value through other comprehensive income.

C. Interest rate risk

The carrying amount of the financial assets and liabilities that exposed to interest rate risk as reporting date was as follows:

	Carrying Amount	
Item	December 31, 2024	December 31, 2023
Fair value interest rate risk:		
Financial assets	$ 620,032	$ 904,359
Financial liabilities	(512,595)	(1,099,533)
Net amount	$ 107,437	$ (195,174)
Cash flow interest rate risk:		
Financial assets	$ 231,588	$ 289,600
Financial liabilities	(313,531)	(187,095)
Net amount	$ (81,943)	$ 102,505

(A) Sensitivity analysis of instruments with fair value interest rate risk

The Group has not classified any fixed-rate financial assets and liabilities as financial assets measured at fair value through profit or loss and at fair value through other comprehensive income, nor has it designated derivative instruments (interest rate swaps) as hedging instruments under the fair value hedge accounting model. Therefore, the change in the daily interest rate reported will not affect the profit and loss and other total net income.

(B) Sensitivity analysis of instruments with cash flow interest rate risk

The floating rate financial instruments of the Group are classified as floating rate assets (debt), hence changes in market interest rates will cause their effective interest rates to fluctuate, resulting in volatility in future cash flows. A decrease (increase) in market interest rates of 1% will result in an increase (decrease) in net profit for the years 2024 and 2023 of (819) thousand and 1,025 thousand, respectively.

(2) Credit risk

Credit risk refers to the risk of financial loss to the Group due to a counterparty's breach of contractual obligations. The credit risk of the Group primarily arises from receivables generated from operating activities, and cash in banks and other financial instruments generated from investing activities. Operational-related credit risk and financial credit risk are managed separately.

A. Operational related credit risk

To maintain the quality of accounts receivable, the Group has established procedures for operational credit risk management.

The risk assessment of individual clients takes into account various factors that may affect the client's payment ability, including the client's financial condition, the internal credit rating of the group, historical transaction records, and the current economic situation.

B. Financial credit risk

The credit risk of cash in banks and other financial instruments is measured and monitored by the financial department of the Group. As the counterparties and performance obligors of the Group are banks with good credit standing and financial institutions, corporate organizations, and government agencies with investment-grade ratings or above, there are no significant concerns regarding performance obligations, and therefore, no significant credit risk. In addition, the Group does not classify any debt instrument investments as measured at amortized cost and classified as at fair value through other comprehensive income.

(A) Credit concentration risk

As of December 31, 2024 and 2023, the balance of the top ten customers' accounts receivable accounted for 47% and 55% of the Group's accounts receivable balance, respectively, while the credit concentration risk of the remaining accounts receivable is relatively insignificant.

(B) Measurement of expected credit loss:

(a) Accounts receivable: It adopts a simplified approach, please refer to Note 6(4) for details.

(b) Basis for determining whether credit risk has significantly increased: None. (The Group does not classify any debt instrument investments as measured at amortized cost and at fair value through other comprehensive income)

(C) Holding collateral and other credit enhancements to mitigate the credit risk of financial assets:

The financial impact related to the maximum exposure to credit risk of the financial assets recognized in the consolidated balance sheets and the collateral held by the Group as security, net settlement agreements, and other credit enhancements is shown in the following table:

December 31, 2024	Carrying Amount	Maximum reduction amount of credit risk exposure			
		Collateral	Total Agreement of Net Settlement	Other Credit Enhancement	Total
Financial instruments to which the impairment provisions of IFRS 9 apply and have experienced credit impairment	$ 825	$ -	$ -	$ -	$ -
Financial instruments to which the definition of impairment in IFRS 9 is not applicable:					
Financial assets at fair value through profit or loss	233,751	-	-	-	-
Financial assets at fair value through other comprehensive income	84,619	-	-	-	-
Total	$ 319,195	$ -	$ -	$ -	$ -

December 31, 2023	Carrying Amount	Maximum reduction amount of credit risk exposure			
		Collateral	Total Agreement of Net Settlement	Other Credit Enhancement	Total
Financial instruments to which the impairment provisions of IFRS 9 apply and have experienced credit impairment	$ 102	$ -	$ -	$ -	$ -
Financial instruments to which the definition of impairment in IFRS 9 is not applicable:					
Financial assets at fair value through profit or loss	343,961	-	-	-	-
Financial assets at fair value through other	51,270	-	-	-	-

comprehensive income					
Total	$ 395,333	$ -	$ -	$ -	$ -

(3) Liquidity risk

A. Liquidity risk management

The objectives for managing liquidity risk of the Group are to maintain the cash and cash equivalents cash and cash equivalents, highly liquid securities, and sufficient bank financing limits, to ensure that the Group has adequate financial flexibility.

B. Financial liabilities maturity analysis

	December 31, 2024						
Non-derivative financial liabilities	Within 6 months	6-12 months	1-2 years	2-5 years	More than 5 years	Contract cash flow	Carrying amount
Short-term loans	$ -	$ 5,000	$ -	$ -	$ -	$ 5,000	$ 5,000
Notes payable	3,814	-	-	-	-	3,814	3,814
Accounts payable	212,684	-	-	-	-	212,684	212,684
Other payables	162,168	-	-	-	-	162,168	162,168
Long-term borrowings (including current portion)	8,458	17,571	53,440	206,360	22,702	308,531	308,531
Bonds payable	-	-	-	388,700	-	388,700	373,695
Lease liabilities	13,245	9,391	18,777	38,864	82,882	163,159	138,900
Total	$ 400,369	$ 31,962	$ 72,217	$ 633,924	$ 105,584	$ 1,244,056	$ 1,204,792

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

	Shorter than 1 year	1-5 years	5 to 10 years	10-15 years	15-20 years	Over 20 years	Undiscounted lease Total remuneration
Lease liabilities	$ 22,636	$ 57,641	$ 28,345	$ 29,868	$ 18,791	$ 5,878	$ 163,159

	December 31, 2023						
Non-derivative financial liabilities	Within 6 months	6-12 months	1-2 years	2-5 years	More than 5 years	Contract cash flow	Carrying amount
Short-term loans	$ 67,000	$ 30,000	$ -	$ -	$ -	$ 97,000	$ 97,000
Notes payable	3,652	-	-	-	-	3,652	3,652
Accounts payable	186,032	-	-	-	-	186,032	186,032
Other payables	142,547	-	-	-	-	142,547	142,547
Long-term borrowings (including current portion)	8,499	8,673	17,040	31,560	24,323	90,095	90,095
Bonds payable	-	-	-	1,000,000	-	1,000,000	946,295
Lease liabilities	12,565	12,457	18,928	47,049	89,575	180,574	153,238
Total	$ 420,295	$ 51,130	$ 35,968	$ 1,078,609	$ 113,898	$ 1,699,900	$ 1,618,859
Financial liabilities at fair value through profit or loss - noncurrent	$ -	$ -	$ -	$ 9,700	$ -	$ 9,700	$ 9,700
Total	$ -	$ -	$ -	$ 9,700	$ -	$ 9,700	$ 9,700

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

	Shorter than 1 year	1-5 years	5 to 10 years	10-15 years	15-20 years	Over 20 years	Total undiscounted lease payments
Lease liabilities	$ 25,022	$ 65,977	$ 29,428	$ 29,867	$ 23,422	$ 6,858	$ 180,574

The Group does not anticipate that the cash flow timing in the maturity analysis will occur significantly earlier or that the actual amounts will differ significantly.

2. Categories of financial instruments

	December 31, 2024	December 31, 2023
Financial assets		
Financial assets measured at amortized cost		
Cash and cash equivalents	$ 730,387	$ 846,413
Notes and accounts receivable	531,765	441,329
Other receivables	6,311	7,345
Other financial assets － current	117,419	342,633
Other financial assets － noncurrent	5,900	6,900
Refundable deposit	11,828	11,288
Financial assets at fair value through profit or loss － current	233,751	343,961
Financial assets at fair value through other comprehensive income - noncurrent	84,619	51,270
Financial liabilities		
Financial liabilities measured at amortized cost		
Short-term loans	5,000	97,000
Notes and accounts payable	216,498	189,684
Other payables	162,168	142,547
Long-term loans (including the portion maturing within 1 year)	308,531	90,095
Bonds payable (including current portion)	373,695	946,295
Lease liabilities (including current portion)	138,900	153,238
Deposits received	71,056	71,056
Financial liabilities at fair value through profit or loss - noncurrent	-	9,700

(3) Fair value information:

1. For information on the fair value of the Group's financial assets and financial liabilities not measured at fair value, please refer to Note 12(3)3.
2. Definition of three level of fair value

Level 1:

The input value of this level refers to the active market public quotation of the same instrument in an active market. An active market refers to a market that meets all of the following conditions: the goods traded in the market are homogeneous; willing buyers and sellers can be found in the market at any time, and price information is accessible to the public. The fair value of the listed stocks, beneficiary certificates, Taiwan central government bond investments belonging to popular securities, and derivatives with active market quotations invested by the group all belong to this category.

Level 2:

The input values of this level refer to observable prices other than active market quotations, including directly (such as prices) or indirectly (such as derived from prices) observable inputs obtained from active markets. The group's investments in non-popular bonds, corporate bonds, financial bonds, convertible bonds, and most derivatives are included.

Level 3:

The input value of this level refers to the input parameters for measuring fair value that are not based on observable inputs available in the market. The group's investments in non-active market equity instruments and convertible preferred stock investments all belong to it.

3. Financial instruments that are not measured at fair value:

The carrying amounts of the Group's financial instruments not measured at fair value, except for those listed in the table below, such as cash and cash equivalents, receivables, other financial assets, guarantee deposits paid, short-term borrowings, payables, lease liabilities, long-term borrowings (including those due within one year or one business cycle) and other financial liabilities approximate their fair value.

	December 31, 2024			
		Fair Value		
Item	Carrying Amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	$ 373,695	$ 532,519	$ -	$ -

	December 31, 2023			
		Fair Value		
Item	Carrying Amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	$ 946,295	$ 1,200,000	$ -	$ -

4. Information on fair value by level:

The Group’ s financial instruments were measured at fair value on a recurring basis at fair value. The Group’ s fair value levels are shown in the following table:

	December 31, 2024			
Item	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through profit or loss				
Non-derivative financial assets held for trading	$ 232,546	$ -	$ -	$ 232,546

Convertible bond redemption rights and put options	-	-	622	622
Foreign exchange Swaps	-	583	-	583
Financial assets at fair value through other comprehensive income				
Item	Level 1	Level 2	Level 3	Total
Domestic unlisted (OTC) stocks	-	-	84,619	84,619
Total	$ 232,546	$ 583	$ 85,241	$ 318,370

	December 31, 2023			
Item	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through profit or loss				
Non-derivative financial assets held for trading measured at other comprehensive income at fair value.	$ 343,961	$ -	$ -	$ 343,961
Domestic unlisted (OTC) stocks	-	-	26,176	26,176
Domestic listed (OTC) preferred stock	25,094	-	-	25,094
Total	$ 369,055	$ -	$ 26,176	$ 395,231
Liabilities				
Recurring fair value				
Financial liabilities at fair value through profit or loss				
Put options	$ -	$ 9,700	$ -	$ 9,700

5. Fair value valuation techniques of instruments measure at fair value:

(1) If financial instruments have quoted prices in an active market, the quoted prices in the active market are used as the fair value. The market prices announced by major exchanges and the Central Government Bond Counter Trading Center, judged as popular securities, are the basis for the fair value of listed equity instruments and debt instruments with active market quotations.

If timely and frequent public quotations for financial instruments can be obtained from exchanges, brokers, underwriters, industry associations, pricing service agencies, or regulatory authorities, and such prices represent actual and frequent fair market transactions, then the financial instruments have an active market public quotation. If the above conditions are not met, the market is considered inactive. Generally speaking, a large bid-ask spread, a significant increase in the bid-ask spread, or very low trading volume are all indicators of an inactive market.

The financial instruments held by the Group, if they have an active market, are presented at fair value according to their categories and attributes as follows:

A. Listed (OTC) company stocks: closing price.

B. Closed-end fund: closing price.

C. Open-end fund: net worth.

D. Government bonds: final Price.

E. Corporate bonds: Weighted average price of $100.

F. Convertible (exchangeable) bonds: closing price.

(2) Except for the aforementioned financial instruments with an active market, the fair value of other financial instruments is obtained through valuation techniques or by referencing counterparty quotations. The fair value obtained through valuation techniques can be referenced to the current fair value of other financial instruments with substantially similar conditions and characteristics, discounted cash flow method, or other valuation techniques, including models calculated using market information available on the balance sheet date.

(3) The valuation of derivative financial instruments is based on valuation models widely accepted by market participants, such as the discounted cash flow method and option pricing models. Forward foreign exchange contracts are usually valued based on the current forward exchange rate.

(4) The output of the valuation model is an estimated approximate value, and the valuation techniques may not reflect all relevant factors of the financial and non-financial instruments held by the company. Therefore, the estimated value of the valuation model will be appropriately adjusted based on additional parameters, such as model risk or liquidity risk. According to the Group's fair value valuation model management policy and related control procedures, management believes that it is appropriate to express the fair value of financial and non-financial instruments in the Consolidated Balance Sheets, and that valuation adjustments are appropriate and necessary. The price information and parameters used in the valuation process are carefully assessed and appropriately adjusted based on the current market conditions.

6. Movement between level 1 and level 2: None.

7. Details of changes in level 3:

	Financial assets - equity instruments through other comprehensive income measured at fair value	
Item	2024	2023
Opening balance	$ 26,176	$ 15,016
Transferred from prepayments for investments	10,000	-
Purchase	40,546	-
Recognized in other comprehensive income (loss)	7,897	11,160
Ending balance	$ 84,619	$ 26,176

8. Quantitative information on fair value of significant unobservable inputs (Level 3):

The unlisted (OTC) company stocks held by the Group, which do not have an active market, are primarily estimated at fair value using the market approach. This determination is based on the valuation of similar companies, the company's net worth, and the assessment of its operating conditions. The significant unobservable inputs used for fair value are listed in the table below:

2024:

Item	Evaluation Technique	Significant Unobservable Input	Interval	Relationship Between Input Value and Fair Value
Financial assets at fair value through other comprehensive income - stock	Market Approach	Lack of Liquidity Discount Rate	20.84%~28.28%	The higher the liquidity discount, the lower the fair value estimate.

2023:

Item	Evaluation Technique	Significant Unobservable Input	Interval	Relationship Between Input Value and Fair Value
Financial assets at fair value through other comprehensive income - stock	Market Approach	Lack of Liquidity Discount Rate	25.52%	The higher the liquidity discount, the lower the fair value estimate.

9. Valuation process for level 3 fair value measurement:

The Group's valuation process for fair value classified as level 3 utilizes independent source data to align valuation results with market conditions, confirming that the data sources are independent, reliable, and consistent with other resources, and represent the exercise price. It regularly calibrates valuation models, conducts back-testing, updates the input values and data required for the valuation models, and makes any other necessary fair value adjustments to ensure that the valuation results are reasonable.

(4) Transfer of financial assets: None.

(5) Offset of financial assets and financial liabilities: None.

13. Supplementary Disclosures

(1) Information on significant transactions (before consolidated elimination)

1. Loans to other parties: Table 1.
2. Endorsements/guarantees provided for other parties: Table 2.
3. Securities held at the end of the period: Table 3.
4. The accumulated amount of buying or selling the same securities reaches $300 million or more than 20% of the paid-in capital: None.
5. The amount for acquiring real estate reaches $300 million or more than 20% of the paid-in capital: Table 4.
6. The amount of disposal of real estate reaches $300 million or more than 20% of the paid-in capital: None.
7. The amount of purchases and sales with related parties reaching $100 million or more than 20% of the paid-in capital: None.

8. Accounts receivable from related parties reaching $100 million or more than 20% of the paid-in capital: Table 5.
9. Engaging in derivative transactions: Please refer to Note 6(2) for details.
10. Business relationship and significant transactions between parent and subsidiary companies: Table 6.

(2) Information on investment matters (before consolidated elimination): Table 7.

(3) Information on investments in China (before consolidated elimination): Table 8.

(4) Information on major shareholders (including name, share held and shareholding ratio of the shareholders with shareholding above 5%): Table 9.

Table 1

E&R ENGINEERING CORPORATION AND SUBSIDIARIES

Loans to Other Parties

December 31, 2024

Unit: Thousands of Foreign Currency; Thousands of NTD

Number	Lender	Borrower	Account Name	Related party	Highest amount for the period	Balance at end of period	Actual amount drawn down	Interest rate range	Nature for financing (Note 3)	Transaction amount	Purpose for Short-term Financing	Provision for allowance for doubtful accounts	Collateral		Limit on loans granted to a single entity (Note 1)	Limit on total loans granted (Note 2)
													Name	Value		
0	E&R ENGINEERING CORPORATION	Wuxi E&R Semiconductor Materials Technology Co., Ltd.	Other receivables - related parties (Note 4)	Yes	30,781 (USD 939)	23,209 (USD 708)	23,209 (USD 708)	-	1	44,611 (Note 5)	-	-	-	-	1,125,582	1,125,582
		Superior Technology Semiconductor Co., Ltd.	Other receivables - related party	Yes	6,023 (USD 140; RMB 316)	6,023 (USD 140; RMB 316)	6,023 (USD 140; RMB 316)	-	1	83,970	-	-	-	-	1,125,582	1,125,582
		Superior Technology Semiconductor Co., Ltd.	Other receivables - related parties	Yes	458,990 (USD 14,000)	327,850 (USD 10,000)	266,807 (RMB 58,500)	1.50%	2	-	Operating capital	-	-	-	1,125,582	1,125,582
1	Superior Technology Semiconductor Co., Ltd.	Chen Tai Trading (Shanghai) Co., Ltd.	Other receivables - related parties	Yes	36,486 (RMB 8,000)	36,486 (RMB 8,000)	36,486 (RMB 8,000)	1.50%	2	-	Operating capital	-	-	-	65,510 (RMB 14,364)	65,510 (RMB 14,364)

Note 1. The Company and its subsidiaries ceiling on loans granted to a single party: limited to not exceeding 40% of the company's net worth for the current period.

Note 2. The Company and its subsidiaries ceiling on total loans granted: limited to not exceeding 40% of the company's net worth for the current period.

Note 3. The numbering for the nature of financing activities is as follows:

- Fill in "1" for those with business transactions.
- Fill in "2" represents short-term financing requirement.

Note 4. In principle, the Company's collection of payments for sales to related parties is handled in accordance with the collection policy for the same transactions with non-related parties. However, if the related party cannot implement the above-mentioned policies due to insufficient funds or due to losses, the Company fully supports the operations of its subsidiaries to achieve the Company's business objectives in the mainland market as a more important consideration for deferral. The Company also has transferred the overdue of Wuxi E&R accounts receivable to other receivables, amounting to $23,209 thousand.

Note 5. The Company has processed the procurement of Wuxi E&R for raw materials transactions as collection and payment without recognizing the purchases and sales.

Note 6. The aforementioned intercompany transactions between the parent and subsidiary have been offset.

Table 2

E&R ENGINEERING CORPORATION AND SUBSIDIARIES

Endorsements/Guarantees Provided for Other Parties

December 31, 2024

Unit: NTD and Foreign Currency thousand

Number	Guarantor	Counterparty		Limit On Endorsement/ Guarantee for a Single Entity (Note 2)	The Highest Balance of Endorsement/ Guarantee for The Period	Ending Balance of Endorsement/ Guarantee	Actual amount drawn down	Amount of Endorsement/ Guarantee Secured by Collateral	Ratio of Cumulative Endorsement/ Guarantee to Net Value in Latest Financial Statement	Limit on Total Endorsement/ Guarantee (Note 3)	Endorsement/ Guarantee by Parent Company for Subsidiary	Endorsement/ Guarantee by Subsidiary for Parent Company	Endorsement/Guarantee to an Entity in Mainland China
		Company name	Relationship (Note 1)										
0	E&R ENGINEERING CORPORATION	TECH-WAVE Industrial Co., Ltd.	2	562,791	20,000	20,000	-	-	0.71%	1,406,978	Y	-	-

Note 1: There are 7 types of relationships between the endorser and the endorsee, and the type should be indicated.

(1) Trading partner.

(2) An entity in which the Company directly and indirectly holds more than 50% of the voting shares.

(3) An entity that directly and indirectly holds more than 50% of the voting shares of the Company.

(4) An entity in which the Company directly and indirectly holds more than 90% of the voting shares.

(5) An entity that provide mutual insurance among peers or co-builders based on contractual requirements for contracted projects.

(6) An entity for which all contributing shareholders provide endorsement and guarantee according to their shareholding ratio due to a joint investment relationship.

(7) Joint and several guarantees for the performance of pre-sale housing sales contracts conducted by peers in accordance with consumer protection laws.

Note 2: The limit for endorsements and guarantees by the Company for a single entity shall not exceed 20% of the Company's net worth, whereas for a single overseas affiliated company, it shall not exceed 30% of the net worth.

Note 3: The maximum limit for the Company's endorsement guarantee is restricted to not exceeding 50% of the Company's net worth.

Table 3

E&R ENGINEERING CORPORATION AND SUBSIDIARIES

Securities Held at the End of the Period

December 31, 2024

Unit: Thousand Shares; NTD Thousand

Holder	Type and Name of Securities	Relationship with Issuer	Account Name	End of the Period				Note
				Shares (Thousand Units)	Carrying Amount	Shareholding Ratio	Fair Value	
E&R ENGINEERING CORPORATION	Stock - Nan Pao Resins Chemical Co., Ltd.	-	Financial assets at fair value through profit or loss - current	220	69,080	0.18%	69,080	
	Stock - Major Power Technology Co., Ltd.	-	Financial assets at fair value through profit or loss - current	30	4,665	0.12%	4,665	
	Fund - Allianz Global Investors B	-	Financial assets at fair value through profit or loss - current	620	4,386	-	4,386	
	Fund - TACB currency market	-	Financial assets at fair value through profit or loss - current	12,862	135,780	-	135,780	
	Fund - Cathay US Premium Bond Fund B	-	Financial assets at fair value through profit or loss - current	298	2,855	-	2,855	
	Fund - Cathay US Premium Bond Fund B - USD	-	Financial assets at fair value through profit or loss - current	49	15,780	-	15,780	
			Total		232,546		232,546	
	Stock - Lasertec Taiwan Inc.	-	Financial assets at fair value through other comprehensive income - noncurrent	3,333	9,618	22.41%	9,618	(Note)
	Stock - Uniconn Interconnections Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	550	30,250	0.96%	30,250	
	Stock - Shyawei Optronics Corporation	-	Financial assets at fair value through other comprehensive income - noncurrent	1,640	34,075	16.40%	34,075	
	Stock - King Tech Vietnam Co., LTD	-	Financial assets at fair value through other comprehensive income - noncurrent	412	10,676	19.80%	10,676	
			Total		84,619		84,619	

Note: The Company has an investment in Lasertec Taiwan Inc. with a shareholding ratio exceeding 20%, however, considering that the company has taken a stake in technology shares, the Company ultimately holds only 9.5% of the shares, and the Company does not serve as a director position or key management, after assessed the Company does not have significant influence.

Table 4

E&R ENGINEERING CORPORATION AND SUBSIDIARIES

Acquisition of Individual Real Estate Properties at Costs of at Least NT$300 Million or 20% of Paid-in Capital

January 1 to December 31, 2024

Acquisition of property	Property Name	Date of occurrence	Transaction Amount	Payment Status	Transaction Counterparty	Relationship	Previous Transfer Data if the Transaction Counterparty Is a Related Party				Basis of Pricing	Purpose	Other Matters
							Owner	Relationship with Issuer	Transfer date	Amount			
E&R ENGINEERING CORPORATION	Qiaotou Science Park Factory new construction factory	2024.4~ 2024.5	619,900	Payment according to contract terms	Verizon Construction Company, AIPTEK International Inc. , etc.	None	-	-	-	-	Comparison and negotiation of the price	Production use	None
Superior Technology Semiconductor Co., Ltd.	Nantong Factory new construction project	2021.12	508,211 (RMB112,695)	Payment according to contract terms	Nantong No.5 Construction & Engineering Co., Ltd. and others	None	-	-	-	-	Comparison and negotiation of the price	Production use	None

Table 5

E&R ENGINEERING CORPORATION AND SUBSIDIARIES

Accounts Receivable from Related Parties with the Amount Reaching $100 Million or More than 20% of the Paid-In Capital

December 31, 2024

Unit: NTD and Foreign Currency thousand

Entities with Accounts Receivable Due	Transaction Counterparty	Relationship	Balance of Accounts Receivable from Related Parties	Turnover Ratio	Accounts Receivables Overdue from Related Parties		Receivables Recovered in the Subsequent Period	Provision for allowance for doubtful accounts
					Amount	Handling Method		
E&R ENGINEERING CORPORATION	Superior Technology Semiconductor Co., Ltd.	Subsidiary	Accounts receivable 32,985	2.55	-	-	-	-
			Other receivables 280,785	Note 1	-	-	-	-

Note 1: Mainly refers to financial loans, thus not applicable for turnover rate calculation.

Table 6

E&R ENGINEERING CORPORATION AND SUBSIDIARIES

Business Relationship and Significant Transactions Between Parent and Subsidiaries

December 31, 2024

Individual transaction amounts that do not reach (including) NTD 10 million will not be disclosed; additionally, disclosure will be made in terms of assets and revenue sides, the relative transactions will no longer be disclosed.

Unit: New Taiwan Dollars and Foreign Currency thousand

Number (Note 1)	Purchaser (Seller)	Transaction Counterparty	Relationship with Purchaser (Seller) (Note 2)	Transaction Details			
				Item	Amount	Terms and Conditions	Percentage of Consolidated Revenue or Total Assets (Note 3)
0	E&R ENGINEERING CORPORATION	Superior Technology Semiconductor Co., Ltd.	1	Sales Accounts receivable	83,970 32,985	There are no comparable transactions available, processed at the agreed price, with the credit period agreed to be 270 days.	5.10% 0.78%
		Wuxi E&R Semiconductor Materials Technology Co., Ltd.	1	Accounts receivable	45,677 (Note 4)	There are no comparable transactions available, processed at the agreed price, with the credit period agreed to be 270 days.	1.09%
		E&R(Dongguan) Semiconductor Materials Co., Ltd.	1	Accounts receivable	30,625 (Note 4)	There are no comparable transactions available, processed at the agreed price, with the credit period agreed to be 270 days.	0.73%
		Wuxi E&R Semiconductor Materials Technology Co., Ltd.	1	Other receivables	23,209	(Note 5)	0.55%
		Superior Technology Semiconductor Co., Ltd.	1	Other receivables	266,807	(Note 6)	6.35%
1	E&R(Dongguan) Semiconductor Materials Co., Ltd.	E&R Semiconductor Materials Co., Ltd.	2	Sales Accounts receivable	94,190 47,316	There are no comparable transactions available, processed at the agreed price, with the credit period agreed to be 270 days.	5.73% 1.13%
2	Superior Technology Semiconductor Co., Ltd.	Chen Tai Trading (Shanghai) Co., Ltd.	3	Other receivables	36,486	(Note 6)	0.87%

Note 1: Information on business transactions between the parent company and subsidiaries is indicated separately in the number column, with the numbering method as follows:

1. Parent company fill in 0.
2. Subsidiaries are numbered sequentially starting from Arabic numeral 1 according to the parent company.

Note 2: Relationship with Purchaser (Seller) includes the following three types, and the types should be indicated:

1. Parent company and subsidiary.
2. Subsidiary and parent company.
3. Associates.

Note 3: The calculation of the transaction amount as a percentage of total consolidated revenue or total assets, using the ending balance as a percentage of total consolidated assets for balance sheet accounts; using the cumulative amount for profit and loss accounts. The calculation of the amount as a percentage of total consolidated revenue.

Note 4: Refers to the purchase of raw materials, with the handling of collections and payments not recognized as sales or purchases.

Note 5: It is overdue accounts receivable.

Note 6: Primarily related to financial arrangements, etc.

Note 7: The transactions between the parent and subsidiary companies mentioned above have been offset.

Table 7

E&R ENGINEERING CORPORATION AND SUBSIDIARIES

Information on Investees

December 31, 2024

Unit: Thousand Shares; Foreign Currency thousand; NTD Thousand

Investee Name	Investee	Location	Main Business	Initial Investment Amount		End-of-period holdings			Shareholding Ratio x Net Value of Investee at End of the Period	Investee's Profit (Loss) for the Period	Investment Income (Loss) Recognized for the Period	Dividend Distribution of Investee for the Period		Note
				End of the Period	End of Last Year	Number of Shares	Ratio	Carrying Amount				Stock Dividend	Cash Dividends	
E&R ENGINEERING CORPORATION	TECH-WAVE Industrial Co., Ltd.	New Taipei City	Flexible printed circuit (FPC) manufacturing, processing and trading	23,000	23,000	2,500	51.43%	16,710	16,710	(12,734)	(6,548)	-	-	-
	E&R Semiconductor Materials Co., Ltd.	Hong Kong	Semiconductor packaging material buying and selling	84,839 (HKD 20,392)	84,839 (HKD 20,392)	15,000	100%	74,490	75,071	(23,505)	(23,215)	-	-	-
	ENRICHMENT TECH. CORPORATION	Samoa	Investment Holding	117,730 (USD 3,186+ NTD 18,589)	145,333 (USD 4,186+ NTD 18,589)	7,290	100%	49,915	50,279	2,298	2,298	-	-	-
	EXCELLENT INTERNATION HOLDING LIMITED	British Virgin Islands	Investment Holding	286,430 (USD 9,709)	286,430 (USD 9,709)	9,709	100%	129,365	148,401	(77,662)	(77,662)	-	-	-
	EXCELLENT TECHKNOWLEDGIES HOLDINGS PTE LTD	Singapore	Investment Holding	3,291 (USD 101)	-	101	100%	3,382	3,382	69	69	-	-	-
ENRICHMENT TECH. CORPORATION	ENR Applied Packing Material Corporation	Samoa	Investment Holding	116,979 (USD 3,886)	116,979 (USD 3,886)	10,755	100%	43,958 (USD 1,341)	43,958 (USD 1,341)	(2,370) (USD -74)	(2,370) (USD -74)	-	-	-

Note: The above intercompany transactions between parent and subsidiary have been offset.

Table 8

E&R ENGINEERING CORPORATION AND SUBSIDIARIES

Investments in China

December 31, 2024

Unit: Thousands of Foreign Currency; Thousands of NTD

Investee	Main Business	Paid-in Capital	Investment Method (Note 1)	Accumulated Investment Outflow from Taiwan as of Beginning of the Period	Investment Flows		Accumulated Investment Outflow from Taiwan as of End of the Period	Investee's Profit (Loss) for the Period	The Company's Direct or Indirect Shareholding Ratio	Investment Income (Loss) Recognized for the Period (Note 2)	Book Value of Investment at End of the Period	Investment Income Repatriated as of End of the Period
					Outflow	Recover						
E&R(Dongguan) Semiconductor Materials Co., Ltd.	Production and sales of semiconductor packaging materials	HKD 28,180 (Note 1)	(II)	119,018 (HKD 28,180)	-	-	119,018 (HKD 28,180)	(23,492) (HKD 5,715)	100%	(23,492) (HKD 5,715) (II).2	72,882 (HKD 17,256)	-
Wuxi E&R Semiconductor Materials Technology Co., Ltd.	Production and sales of semiconductor packaging materials	USD 5,000 (Note 2)	(II)	166,548 (USD 5,080)	-	-	166,548 (USD 5,080)	(2,371) (USD -74)	100%	(2,371) (USD -74) (II).2	43,894 (USD 1,339)	-
Chen Tai Trading (Shanghai) Co., Ltd.	Customer service of automated equipment	USD 500	(II)	16,393 (USD 500)	-	-	16,393 (USD 500)	6,054 (USD 189)	100%	6,054 (USD 189) (II).2	8,205 (USD 250)	-
Suzhou E&R PRECISION EQUIPMENT CO., LTD.	Manufacturing and selling of automation equipment	(Note 6)	(II)	32,785 (USD 1,000)	-	-	32,785 (USD 1,000)	951 (USD 30)	100%	951 (USD 30) (II).2	-	- (Note 6)
Superior Technology Semiconductor Co., Ltd.	Manufacturing and selling of automation equipment	RMB 71,900	(II)	297,137 (RMB 65,150)	-	-	297,137 (RMB 65,150)	(85,709) (USD -2,672)	100% (Note 3)	(84,154) (USD -2,623) (II).2	163,776 (USD 4,995)	-

Accumulated Amount of Investment Remitted from Taiwan to Mainland China as of December 31, 2024	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on Investment in Mainland China
119,018 (HKD 28,180) (Note 4)	119,018 (HKD 28,180) (Note 1)	(Note 5)
166,548 (USD 5,080) (Note 4)	172,351 (USD 5,257) (Note 2)	
16,393 (USD 500) (Note 4)	16,393 (USD 500)	
(Note 6)	(Note 6)	
297,137 (RMB 65,150) (Note 4)	411,158 (RMB 90,150)	

(Note 1) The Company's investment in E&R(Dongguan) Semiconductor Materials Co., Ltd. is made through E&R Semiconductor Materials Co., Ltd. (Hong Kong), which reinvests in the semiconductor materials limited company of E&R(Dongguan). The Company's investments include fixed assets at cost and cash investments, total HKD 28,180 thousand. Additionally, the Company increased its shares in E&R Semiconductor Materials Co., Ltd. (Hong Kong) in May 2022, resulting in the Company's indirect shareholding ratio in E&R(Dongguan) Semiconductor Materials Co., Ltd. increasing from 81% to 90%, therefore, the Company's investment amount in Mainland China calculated based on the shareholding ratio is HKD 25,443 thousand. And in August 2023, additional shares of E&R Semiconductor Materials Co., Ltd. (Hong Kong) were acquired, resulting in an indirect shareholding ratio in E&R(Dongguan) Semiconductor Materials Co., Ltd. increased from 90% to 100%, therefore the Company's investment amount in Mainland China is HKD 28,180 thousand.

(Note 2) The Company's investment in Wuxi E&R Semiconductor Materials Technology Co., Ltd. is made through ENRICHMENT TECH. CORPORATION reinvesting in ENR APPLIED PACKING MATERIAL CORPORATION, and then the company will reinvest in Wuxi E&R Semiconductor Materials Technology Co., Ltd., ENR Applied Packing Material Corporation will invest in E&R Semiconductor Materials Technology Co., Ltd. includes investments in the forms of fixed assets and cash, totaling USD 5,080 thousand (the actual verified capital is USD 5,080 thousand, and the registered capital of the Company is USD 5,000thousand.)

(Note 3) During this period, the shareholding ratio in Superior Technology Semiconductor Co., Ltd. increased from 90.61% to 100%, which was invested by Chen Tai Trade (Shanghai) Co. Ltd. with its funds.

(Note 4) The cumulative amount of investment remitted from Taiwan to Mainland China at the end of the period is calculated based on the actual paid-in capital of the Mainland China investees with direct or indirect investment shareholding ratio.

(Note 5) Enterprises with headquarters approved by Ministry of Economic Affairs are not subject to amount or proportion restrictions.

Note 1: The investment methods are divided into the following 3 types:

(1) Direct investment in Mainland China

(2) Investment in Mainland China through the establishment of companies in a third region (Please refer to Table 7)

(3) Other methods

Note 2: Investment Income (Loss) Recognized for the Period column:

(1) If it is under preparation and there are no investment profits or losses, it should be indicated

(2) The basis for recognizing investment profits and losses is divided into 3 categories, which should be indicated

1. Financial statements audited by an international accounting firm with a cooperative relationship with accounting firms in the Republic of China
2. Financial statements audited by the certified public auditor of the parent company in Taiwan
3. Others

(Note 6) Suzhou E&R was liquidated in April 2024, and the Company applied to the Ministry of Economic Affairs for the cancelation of the originally approved investment amount in October 2024. The case was approved by the Ministry in November 2024.

(2) Significant transactions between the Company and investees in mainland China from January 1 to December 31, 2024 are listed as follows:

1. Financial arrangements with investees in Mainland China: refer to Table 1 in Note 13.

2. Endorsement/guarantee for investees in mainland China: None.
3. Significant Transactions with investees in mainland China: refer to Table 6 in Note 13.

(3) The aforementioned transactions between parent and subsidiaries have been offset.

Table 9

E&R ENGINEERING CORPORATION AND SUBSIDIARIES

Major Shareholders

December 31, 2024

Name of Major Shareholder	Number of Shares	Shareholding Ratio
None	-	-

Note: The information on Major Shareholders included in this table is calculated by Taiwan Depository & Clearing Corporation based on shareholders holding more than 5% of the Company's ordinary and preferred shares delivered without physical registration (including treasury shares) on the last business day of each quarter. As for the share capital recorded in the Company's financial report and the actual number of shares delivered without physical registration by the Company, there may be discrepancies due to different calculation bases.

Segment Information

(1) General Information:

For management purposes, the Group's operating decision-makers divide operating units based on the type of business operated, and they are categorized into the following reportable segments:

1. Automation Equipment Segment: mainly engaged in the manufacturing, maintenance, and sales of automation equipment, etc.
2. Flexible Printed Circuit (FPC) Segment: design, research, processing, manufacturing, and sales of flexible printed circuit .
3. Semiconductor Packaging Materials Segment: mainly engaged in the manufacturing and sales of semiconductor materials, etc.
4. Other Segments: Mainly engaged in investment holding and electronic materials processing.

(2) Measurement Basis:

The Group's operating decision-makers primarily assess the performance of the operating segments based on their net profits. Furthermore, since the Group has not included the amounts of assets and liabilities in the operational decision report, the measurement amounts of the operating segment assets and liabilities are zero. The accounting policies of the operating segments are consistent with the summary of significant accounting policies described in Note 4 in the consolidated financial statements.

(3) Segment Financial Information:

2024:

Unit: Thousands of NTD

Item	Automation machinery	Flexible printed circuit (FPC)	Semiconductor materials	Other Segments	Adjustment and Elimination	Total
Revenue						
Revenue from external customers	1,299,250	40,877	304,781	-	-	1,644,908
Inter-segment revenue	98,156	39	97,226	-	(195,421)	-
Total sales	1,397,406	40,916	402,007	-	(195,421)	1,644,908
Segment profit (loss)	(80,610)	(13,346)	(26,790)	-	1,807	(118,939)
Total segment assets						4,201,724
Total segment liabilities						1,371,987

2023:

Unit: Thousands of NTD

Item	Automation machinery	Flexible printed circuit (FPC)	Semiconductor materials	Other Segments	Adjustment and Elimination	Total
Revenue						
Revenue from external customers	1,189,827	49,642	307,822	2,083	-	1,549,374
Inter-segment revenue	21,938	41	122,217	25	(144,221)	-
Total sales	1,211,765	49,683	430,039	2,108	(144,221)	1,549,374
Segment profit (loss)	53,393	(7,628)	(40,837)	(506)	12,406	16,828
Total segment assets						4,158,759
Total segment liabilities						1,809,387

(4) Information by product and service:

The Group has classified its operating segments based on business types; therefore, it will no longer disclose information by product and service.

(5) Geographic information:

1. Revenue from external customers (classified based on the country where the customers are located):

Item	2024	2023
Taiwan	$ 637,972	$ 357,632
Hong Kong and China	425,023	330,573
Southeast Asia	287,697	509,039
America	224,560	287,847
Europe	13,886	45,824
Other	55,770	18,459
Total	$ 1,644,908	$ 1,549,374

2. Non-current assets:

Item	December 31, 2024	December 31, 2023
Taiwan	$ 734,085	$ 558,600
Hong Kong and China	704,669	386,959

(6) Major customer information:

	2024	
Customer	Amount	Sales as a percentage of net amount
A Company	$ 353,794	21.51%
B Company	192,153	11.68%
C Company	10,942	0.67%

	2023	
Customer	Amount	Sales as a percentage of net amount
B Company	$ 252,054	16.27%
C Company	211,977	13.68%
A Company	141,087	9.11%