【Stock Code: 8027】

E&R ENGINEERING CORPORATION

Parent Company Only Financial Statement and Independent Auditors' Review Report

2024 and 2023

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

Company Phone: 07-6156600

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Independent Auditors' Review Report

E&R ENGINEERING CORPORATION：

Audit Opinion

The Parent Company Only Balance Sheets for E&R ENGINEERING CORPORATION as of December 31, 2024 and 2023, and Parent Company Only Statements of Comprehensive Income for the period from January 1 to December 31, 2024 and 2023, Parent Company Only Statements of Changes in Equity, Parent Company Only Statements of Cash Flows, and Parent Company Only Financial Statement Notes (including Summary of Significant Accounting Policies) have been audited by the auditors.

In the opinion of the accountant, the aforementioned Parent Company Only Financial Statement has been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers in all material respects, sufficiently fair to present the financial position of E&R ENGINEERING CORPORATION as of December 31, 2024 and 2023, and the financial performance and cash flows of the entity for the period from January 1 to December 31, 2024 and 2023.

Basis for Opinions

The auditor conducted the audit in accordance with the rules for the audit of financial statements and the auditing standards. The responsibilities of the auditor under those standards will be further explained in the auditor's responsibility section of the Parent Company Only Financial Statement. The personnel of the accounting firm to which this auditor belongs have maintained an independent stance in accordance with the International Code of Ethics for Professional Accountants (IESBA Code) and have fulfilled other responsibilities under this code with E&R ENGINEERING CORPORATION. Our auditor believes that sufficient and appropriate audit evidence has been obtained to serve as the basis for the opinions.

Key Audit Matters

Key audit matters refer to the matters that are of most significance in the audit of the E&R ENGINEERING CORPORATION Parent Company Only Financial Statement for the year 2024, based on the professional judgment of the auditor. These matters have been addressed during the audit of the Parent Company Only Financial Statement as a whole and in forming the audit opinion, and the auditor does not express an opinion on these matters separately. We hereby present the key audit matters of the Parent Company Only Financial Statement of E&R ENGINEERING CORPORATION for the year 2024 as follows:

I. Inventory Valuation

For accounting policies regarding inventories, please refer to Parent Company Only Financial Statement Note 4(7); for accounting estimates and assumptions uncertainty related to inventory valuation, please refer to Parent Company Only Financial Statement Note 5(2)6.; for the valuation of inventories, please refer to Parent Company Only Financial Statement Note 6(5).

Key audit matters explanation:

The inventories for E&R ENGINEERING CORPORATION as of December 31, 2024, net amounted to 781,627 thousand, accounting for 21% of total assets. 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 thus result 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:

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 Parent Company Only Financial Statement Note 4(18); for accounting estimates and assumptions uncertainty related to revenue recognition, please refer to Parent Company Only Financial Statement Note 5(1)1. and 5(2)1.; for explanations of revenue recognition, please refer to Parent Company Only Financial Statement Note 6(26).

Key audit matters explanation:

Operating revenue is a key indicator for investors and management to assess the financial or business performance of E&R ENGINEERING CORPORATION. Given the significant impact of the timing and amount of revenue recognition on financial reporting, the testing of revenue recognition is deemed a key audit matter.

Audit procedures in response:

The main audit procedures of the auditor include testing the design and effectiveness of the internal control system for revenue, reviewing orders from major customers; testing samples of sales transactions before and after the year-end period to assess the accuracy of revenue recognition during the period.

The Responsibility of Management and Governance teams for the Parent Company Only Financial Statement.

The responsibility of management is to prepare the Parent Company Only Financial Statement in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers with fair presentation, and to maintain necessary internal controls related to the preparation of the Parent Company Only Financial Statement to ensure that the Parent Company Only Financial Statement is free from material misstatement due to fraud or error.

In preparing the Parent Company Only Financial Statement, management's responsibilities also include assessing the ability of E&R ENGINEERING CORPORATION 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 E&R ENGINEERING CORPORATION or cease operations, or there are no other viable alternatives other than liquidation or cessation.

The management of E&R ENGINEERING CORPORATION is responsible for overseeing the financial reporting process, including the audit committee.

The Responsibility of the Auditor in Auditing the Parent Company Only Financial Statement

The purpose of the audit of the Parent Company Only Financial Statement by the auditor is to obtain reasonable assurance about whether there are material misstatements in the Parent Company Only Financial Statement due to fraud or error, and to issue an audit report. Reasonable assurance is a high level of assurance, but the audit procedures performed in accordance with Auditing Standards do not guarantee that all material misstatements in the Parent Company Only Financial Statement will be detected. Misstatements may arise from fraud or error. If the misstatement of individual amounts or aggregate totals is reasonably expected to influence the economic decisions made by users of the Parent Company Only Financial Statement, it is considered to be material.

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

1. Identify and assess the risk of significant misstatement in the Parent Company Only Financial Statement due to fraud or error; design and implement appropriate responses to the assessed risks; and obtain sufficient and appropriate audit evidence 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 related 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 ENGINEERING CORPORATION.
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 drawn regarding the appropriateness of management's use of the going concern accounting basis and whether there are significant uncertainties related to events or conditions that may cast substantial doubt on the ability of E&R ENGINEERING CORPORATION to continue as a going concern. If the auditor believes that there is significant uncertainty regarding such events or conditions, they must alert the users of the Parent Company Only Financial Statement in the audit report to the relevant disclosures of the Parent Company Only Financial Statement, or correct the audit opinion if such disclosures are deemed 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 E&R ENGINEERING CORPORATION to no longer have the ability to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the Parent Company Only Financial Statement (including related notes), and whether the Parent Company Only Financial Statement appropriately fair expresses related transactions and events.
6. To obtain sufficient and appropriate audit evidence regarding the financial information of E&R ENGINEERING CORPORATION for expressing an opinion on the Parent Company Only Financial Statement. The auditor is responsible for the guidance, supervision, and execution of the audit case, and is responsible for forming the audit opinion of E&R ENGINEERING CORPORATION.

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

This auditor also provides the governing unit with a statement that personnel of the accounting firm to which this auditor belongs have complied with the independence requirements in the International Code of Ethics for Professional Accountants (IESBA Code) regarding independence, and has communicated to the governing unit all relationships and other matters (including relevant safeguards) that may be perceived to affect the accountant's independence.

The auditor decided on the key audit matters for the audit of the Parent Company Only Financial Statement of E&R ENGINEERING CORPORATION for the year 2024 based on communications with the governance unit. The auditor states these matters in the audit report, 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, as 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
Approval Document No.: Financial-Supervisory-Securities-Auditing-Order No.1100145994

March 6, 2025

E&R ENGINEERING CORPORATION

Parent Company Only 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))	$ 666,845	18	$ 750,696	19
1110	Financial assets at fair value through profit or loss － current (Note 6(2))	233,751	6	343,961	9
1170	Accounts receivable, net (Note 6(3))	387,420	10	332,475	8
1180	Accounts receivable - related parties, net (Note 6(3), 7)	109,356	3	57,747	1
1200	Other receivables (Note 6(4))	4,949	-	6,651	-
1210	Other receivables - related parties (Note 6(4), 7)	304,606	8	142,511	4
130x	Inventories (Note 6(5))	781,627	21	928,279	24
1410	Prepayments	41,241	1	38,276	1
1476	Other financial assets － current (Note 6(6))	101,359	3	322,573	8
11xx	Total Current Assets	2,631,154	70	2,923,169	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
1550	Investments at equity method (Note 6(8))	273,862	7	384,446	10
1600	Property, plant and equipment (Note 6(9))	635,051	18	437,095	12
1755	Right-of-use assets (Note 6(10))	89,344	2	93,815	2
1780	Intangible assets (Note 6(11))	13,125	-	16,173	-
1840	Deferred tax assets (Note 6(32))	33,532	1	40,334	1
1920	Refundable deposit	2,687	-	1,512	-
1960	Current prepayments for investments	-	-	10,000	-
1980	Other financial assets － noncurrent (Note 8)	5,900	-	6,900	-
15xx	Total Noncurrent Assets	1,138,120	30	1,041,545	26
1xxx	Total Assets	$ 3,769,274	100	$ 3,964,714	100
	Liabilities and Equity				
	Current Liabilities				
2100	Short-term loans (Note 6(12))	$ -	-	$ 97,000	2
2130	Contract liabilities － current (Note 6(26))	22,936	1	23,027	1
2170	Accounts payable	185,149	5	162,353	4
2200	Other payables (Note 6(13))	91,630	2	100,237	3
2230	Current tax liabilities	417	-	22,962	1
2250	Provisions － current (Note 6(14))	32,982	1	28,762	1
2280	Lease liabilities － current (Note 6(10))	6,101	-	5,009	-
2310	Advance receipts (Note 6(19))	398	-	398	-
2320	Long-term liabilities, current portion (Note 6(15))	16,986	-	17,172	-
21xx	Total Current Liabilities	356,599	9	456,920	12

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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	11	946,295	24
2540	Long-term loans (Note 6(17))	56,404	1	72,923	2
2570	Deferred tax liabilities (Note 6(32))	3,192	-	276	-
2580	Lease liabilities － noncurrent (Note 6(10))	86,297	2	90,234	2
2630	Long-term deferred revenue (Note 6(19))	4,315	-	4,712	-
2640	Net defined benefit liabilities - noncurrent (Note 6(18))	3,761	-	7,401	-
2645	Guarantee deposits (Note 9(7))	71,056	2	71,056	2
25xx	Total Noncurrent Liabilities	598,720	16	1,202,597	30
2xxx	Total Liabilities	$ 955,319	25	$ 1,659,517	42
	Equity				
3100	Share capital (Note 6 (20))				
3110	Ordinary Shares	1,064,275	29	985,954	25
3130	Bond conversion entitlement certificates	18,026	-	-	-
3140	Capital collected in advance	1,468	-	-	-
3200	Capital surplus (Note 6(21))	1,734,570	46	1,237,824	31
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)
3xxx	Total Equity	2,813,955	75	2,305,197	58
	Total Liabilities and Equity	$ 3,769,274	100	$ 3,964,714	100

(Please refer to the accompanying notes on the Parent Company Only Financial Statement.)

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

E&R ENGINEERING CORPORATION
Parent Company Only 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(26))	$ 1,329,088	100	$ 1,154,330	100
5000	Operating costs (Note 6(5))	(757,151)	(57)	(568,874)	(49)
5900	Gross profit (loss)	571,937	43	585,456	51
5910	Unrealized loss from sales(gain)	(17,769)	(1)	-	-
5920	Realized profit from sales(loss)	1,320	-	2,356	-
	Operating expenses				
6100	Sales and marketing	(182,066)	(14)	(181,562)	(16)
6200	General and administrative	(139,699)	(11)	(112,290)	(10)
6300	Research and development expense	(255,690)	(18)	(206,381)	(17)
6450	Expected credit losses (reversal) (Note 6(3))	4,768	-	5,681	-
6000	Total operating expenses	(572,687)	(43)	(494,552)	(43)
6900	Income (loss) from operations	(17,199)	(1)	93,260	8
	Non-operating income and expenses				
7100	Interest income (Note 6(28))	16,367	1	22,364	2
7010	Other income (Note 6(29))	7,781	1	3,945	-
7020	Other gains and losses (Note 6(30))	66,146	5	11,291	1
7050	Finance costs(Note 6(31))	(14,085)	(1)	(19,436)	(2)
7070	Share of profits or losses of subsidiaries, associates, and joint ventures accounted for using the equity method	(105,058)	(8)	(59,748)	(5)
7000	Total non-operating income and expenses	(28,849)	(2)	(41,584)	(4)
7900	Income (loss) before income tax	(46,048)	(3)	51,676	4
7950	Income tax(expense) benefit (Note 6(32))	(5,077)	-	(20,765)	(2)
8200	Net income(loss)	(51,125)	(3)	30,911	2
	Other comprehensive income (Note 6(33))				
8310	Items that will not be reclassified to profit or loss				
8311	Remeasurement of defined benefit plans	1,600	-	(1,446)	-
8316	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	6,838	1	11,484	1
8330	Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using the equity method.	150	-	(24)	-
8349	Income tax relating to items that will not be reclassified to profit or loss(expense) benefit	(320)	-	289	-
8360	Items that may be reclassified subsequently to profit or loss				
8380	Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using the equity method.	20,155	1	(6,745)	(1)
8399	Income tax benefit (expense) related to item that may be reclassified subsequently to profit or loss	(467)	-	214	-
8300	Total other comprehensive income (loss), net of income tax	27,956	2	3,772	-
8500	Total comprehensive income (loss)	$ (23,169)	(1)	$ 34,683	2
	Earnings (losses) per share				
9750	Basic earnings per share (Note 6(34))	$ (0.51)		$ 0.32	
9850	Diluted earnings per share (Note 6(34))	$ (0.51)		$ 0.32	

(Please refer to the accompanying notes on the Parent Company Only Financial Statement.)

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

E&R ENGINEERING CORPORATION

Parent Company Only Statements of Changes in Equity

January 1 to December 31, 2024 and 2023

Unit: NTD Thousands

	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
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
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)
Net income (loss) for the year 2023	-	-	-	-	-	-	30,911	-	-	-	30,911
2023 Other comprehensive income	-	-	-	-	-	-	(1,181)	(6,531)	11,484	-	3,772
2023 Total comprehensive income (loss)	-	-	-	-	-	-	29,730	(6,531)	11,484	-	34,683
Conversion of certificates of bonds-to-share	3,026	(3,026)	-	-	-	-	-	-	-	-	-
Treasury shares repurchased	-	-	-	-	-	-	-	-	-	(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
Changes in percentage of ownership interest in subsidiaries	-	-	-	(480)	-	-	-	-	-	-	(480)
Share-based payments transaction	125	-	(125)	6,049	-	-	-	-	-	-	6,049
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
Appropriation of earnings:											
Cash dividends of common stock	-	-	-	-	-	-	(49,829)	-	-	-	(49,829)
Reversal of special reserve	-	-	-	-	-	(4,953)	4,953	-	-	-	-
Net profit (loss) for the year 2024	-	-	-	-	-	-	(51,125)	-	-	-	(51,125)
2024 Other comprehensive income	-	-	-	-	-	-	1,430	19,688	6,838	-	27,956
2024 Total comprehensive income (loss)	-	-	-	-	-	-	(49,695)	19,688	6,838	-	(23,169)
Conversion of convertible bonds	-	94,227	-	487,378	-	-	-	-	-	-	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)
Share-based payments transaction	2,120	-	1,468	9,368	-	-	-	-	-	-	12,956
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

(Please refer to the accompanying notes on the Parent Company Only Financial Statement.)

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

E&R ENGINEERING CORPORATION
Parent Company Only 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	$ (46,048)	$ 51,676
Adjustments		
Reconcile profit item		
Depreciation	101,511	84,329
Amortization expense	8,447	9,439
Expected credit loss(benefit)	(4,768)	(5,681)
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	(23,646)	(16,513)
Interest expense	14,085	19,436
Interest income	(16,367)	(22,364)
Dividend income	(942)	(890)
Share-based benefit compensation cost	2,229	6,049
Share of losses (gains) of subsidiaries, associates, and joint ventures accounted for using the equity method	105,058	59,748
Loss (gain) on disposal of retirement of property, plant and equipment	782	(868)
Property, plant and equipment transferred to expenses	-	476
Loss (gain)on disposal of investments accounted for using equity method	-	(489)
Impairment loss on non-financial assets	4,524	-
Unrealized profit (loss) from sales	17,769	-
Realized loss (gain) from sales	(1,320)	(2,356)
Gain on lease modification	(132)	(104)
Others	(398)	(398)
Total adjustments to reconcile profit (loss)	206,832	129,814
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	-	9,550
Accounts receivable (increase) decrease	(101,786)	335,769
Other receivables (increase) decrease	(1,472)	173
Inventories (increase) decrease	93,354	(4,992)
Prepayments (increase) decrease	(2,965)	30,863
Other financial assets (increase) decrease	200,000	269,854
Total net changes in operating assets	309,998	418,612
Net changes in operating liabilities		
Contract liabilities increase (decrease)	(91)	(13,786)
Accounts payable increase (decrease)	22,796	(126,965)
Other payable increase (decrease)	(7,202)	(84,889)

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Item	2024	2023
Provisions increase (decrease)	$ 4,220	$ (60,933)
Net defined benefit liabilities increase (decrease)	(2,040)	(2,525)
Total net changes in operating liabilities	17,683	(289,098)
Total changes in operating assets and liabilities	327,681	129,514
Total adjustments	534,513	259,328
Cash generated from (used in) operations	488,465	311,004
Interest received	14,954	22,694
Dividends received	942	890
Interest paid	(3,924)	(4,502)
Income tax refund (paid)	(18,691)	(83,289)
Net cash generated from (used in) operating activities	481,746	246,797
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	-
Acquisition of investments accounted for using equity method	(3,291)	(5,200)
Increase in prepayments for investments	-	(10,000)
Return of capital from the investee company under the equity method	-	6,181
Acquisition of property, plant and equipment	(241,443)	(24,294)
Proceeds from disposal of property, plant and equipment	38	625
Increase in refundable deposits	(1,175)	(195)
Increase in other receivables - related parties	(157,508)	(101,676)
Acquisition of intangible assets	(5,153)	(13,065)
Increase in other financial assets	-	(10,242)
Decrease in other financial assets	22,214	-
Net cash generated from (used in) investing activities	(402,829)	(161,471)
Cash flows from financing activities		
Increase in short-term loans	-	97,000
Decrease in short-term loans	(97,000)	-
Repayments of long-term loans	(16,705)	(16,435)
Repayments of principal of lease liabilities	(9,961)	(6,768)
Cash dividends paid	(49,829)	(195,545)
Exercise of employee share options	10,727	-
Payments to acquire treasury shares	-	(111,508)
Net cash generated from (used in) financing activities	(162,768)	(233,256)
Net increase (decrease) in cash and cash equivalents	(83,851)	(147,930)
Cash and cash equivalents, beginning of the year	750,696	898,626
Cash and cash equivalents, end of December 31	$ 666,845	$ 750,696

(Please refer to the accompanying notes on the Parent Company Only Financial Statement.)

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

E&R ENGINEERING CORPORATION
Parent Company Only Financial Statement Notes
January 1 to December 31, 2024 and 2023
(In NTD Thousands, Except Specified Otherwise)

1. General Information

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

The Parent Company Only Financial Statement is presented in the Company' s functional currency, New Taiwan Dollars.

2. Authorization Date and Procedures for Issuance of Financial Statements

The Parent Company Only Financial Statement was 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"), including the International Financial Reporting Standards, International Accounting Standards, interpretations, and Statement on Internal Control (SIC).

The table below lists the new standards, amendments, and revisions issued by the Financial Supervisory Commission applicable to the 2024 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.

The aforementioned settlement means transferring cash, other economic resources or the Company's equity instruments to the counter-party to extinguish the liability. If the terms of the liability give the counterparty an option to extinguish the liability by the Company's equity instruments, and this option is recognized separately in equity in accordance with IAS 32 "Financial instruments: presentation" then the classification of the liability will not be affected.

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 Company has evaluated the aforementioned standards and interpretations, and there is no significant effect on the Company'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 the 2025 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" "Sale or Contribution of Assets"	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 "Amendments to the classification and measurement of financial instruments" 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 fair value through other comprehensive income (FVTOCI) via irrevocable choices shall 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 changes in electricity generation based on uncontrollable natural conditions (such as weather) 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 quantity of 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, the company is considered a net purchaser of electricity. New amendments for contracts involving self-use of natural power 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 corresponds to 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 a cash flow hedges relationship involve contracts designated as hedging instruments related to natural electricity, 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 above, as of the date the Parent Company Only Financial Statement is authorized for issue, the Company is still evaluating the impact on the Company's financial position and financial performance as a result of the initial adoption of the aforementioned standards or interpretations, and the relevant impacts will be disclosed upon completion of the evaluation.

4. Summary of Significant Accounting Policies

The main accounting policies adopted in the preparation of this Parent Company Only Financial Statement are described as follows. Unless otherwise stated, these policies are consistently applied throughout all reporting periods.

(1) Compliance Statement

This Parent Company Only Financial Statement has been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of Preparation

1. Except for the following important item, this Parent Company Only Financial Statement 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 at fair value through other comprehensive income measured 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 the Financial Supervisory Commission approved IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or

complexity, or areas where assumptions and estimates are significant to Parent Company Only Financial Statement are disclosed in Note 5.

3. The Company applies the equity method for investments in subsidiaries, associates, or joint ventures when preparing Parent Company Only Financial Statement. To ensure that the profit or loss, other comprehensive income, and equity for the current year in this Parent Company Only Financial Statement are consistent with the profit or loss, other comprehensive income, and equity attributable to the owners of the Company in the consolidated financial statements, certain accounting treatment differences between the individual basis and the consolidated basis are adjusted for "investments accounted for using equity method", "share of profit or loss of subsidiaries, associates, and joint ventures accounted for using equity method", and "share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using equity method", as well as related equity items.

(3) Foreign currency conversion

1. Foreign currency transactions and balances

(1) Foreign currency transactions are translated into the functional currency at the spot exchange rate on the transaction date or measurement date.

(2) The balances of foreign currency monetary assets and liabilities are adjusted for valuation at the spot exchange rate on the date of the balance sheet, with the resulting exchange differences recognized in profit or loss for the current period.

(3) The foreign currency non-monetary item measured at fair value is translated at the exchange rate on the date of determining fair value, and the resulting exchange differences are recognized in profit or loss for the current year. However, for those fair value changes recognized in other comprehensive income, the resulting exchange differences are included in other comprehensive income. Non-monetary item in foreign currency measured at historical cost is translated at the exchange rate on the transaction date, and no re-translation is performed.

2. Translation of foreign operating entities

(1) All subsidiaries, associates, and joint ventures whose functional currency differs from the presentation currency shall translate their operating results and financial position into the presentation currency as follows:

A. The assets and liabilities expressed in each balance sheet are converted at the closing exchange rate on the date of that balance sheet.

B. The income and expenses expressed in each statement of comprehensive income are converted at the average exchange rate for the current period.

C. All exchange differences arising from translation are recognized in other comprehensive income.

(2) When the partial disposal or sale of foreign operating entities involves associates or joint ventures, the exchange differences under other comprehensive income will be proportionately reclassified to profit or loss for the period as part of the

gain or loss on disposal. However, when the Company retains partial interests in former associates or jointly controlled entities but has lost significant influence over foreign operating entities that are associates or has lost joint control over foreign operating entities that are jointly controlled, the entire interest in the foreign operating entities will be treated as a disposal.

(3) When a partial disposal or sale of a foreign operation is a subsidiary, the cumulative exchange differences recognized in other comprehensive income are reattributed to the non-controlling interests of that foreign operation. However, when the Company retains part of its interest in the former subsidiary but has lost control over the foreign operating entity that is a subsidiary, the entire interest in the foreign operating entity is accounted for as a disposal.

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

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

(1) Expected to realize the asset during the normal operating cycle, or intends to sell or consume it.

(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 Company 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 and before the issuance of financial reports, 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 the issuance of equity instruments at the option of the counterparty do not affect its classification.

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

(5) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in banks, and short-term investments that are highly liquid and can be readily converted into known amounts of cash with minimal risk of value fluctuations (including time deposits with original maturities of three months or less).

(6) Financial instruments

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

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 should be 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 Company holds financial assets classified as 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. Financial assets measured at fair value through profit or loss include investments in equity instruments at fair value through other comprehensive income that are not designated by the Company, and debt instrument investments that do not meet the classification criteria for amortized cost or for fair value through other comprehensive income.

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

The Company classifies 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, and any foreign exchange gains or losses are 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 Company may make an irrevocable choice at initial recognition to designate investments in equity instruments that are not held for trading and are not recognized or measured for consideration by business combinations 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 the 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 instruments measured at fair value through other comprehensive income are recognized in profit or loss when the right to receive payment is established by the Company, unless the dividend clearly represents a recovery of part of the investment cost.

(2) Impairment loss on financial assets

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

B. Accounts receivable and lease payments receivable are recognized as provisions for lifetime ECLs. Other debt instrument investments are first assessed for 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-month expected credit losses. If there has been a significant increase, provisions for expected credit 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. The impairment loss of all financial assets is recognized by reducing 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 Company will derecognize financial assets when any of the following conditions are 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 disposing of debt instrument investments measured at fair value through other comprehensive income, 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 Company classifies the debt and equity instruments issued based on the substance of the contractual agreements and the definition of financial liabilities and equity instruments as financial liabilities or equity.

Equity instruments refer to any contract that represents a residual interest in the assets of an entity after deducting all its liabilities. The Company recognizes the amount of equity instruments issued as the consideration received less direct issuance costs.

3. Financial liabilities

(1) Subsequent measurement

Except for the following circumstances, 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 upon 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 those designated and effective as hedging instruments. The Company designates financial liabilities at initial recognition as measured at fair value through profit or loss when they meet one of the following conditions:

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 profit or loss for the period. Subsequently, they are measured at fair value, with changes in fair value recognized in profit or loss for the period.

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 Company will only derecognize financial liabilities upon the release, cancelation, or expiration of 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 the derecognition of that financial instrument, the Company will recalculate the total carrying amount of financial assets or the amortized cost of financial liabilities by discounting the modified contractual cash flows at the original effective interest rate, and recognize the modification gain or loss in profit or loss; the costs or fees incurred will be treated as an adjustment to 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.

(7) 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 work and the estimated costs necessary to make the sale.

(8) Investments accounted for using equity method/subsidiary

1. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when it 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.
2. The Company has eliminated the unrealized gains or losses arising from transactions between itself and its subsidiaries. The accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
3. The Company recognizes the share of profit or loss from subsidiaries acquired in the current period as profit or loss, while the share of other comprehensive income after acquisition is recognized as other comprehensive income. If the share of losses recognized by the Company in a subsidiary equal or exceed the equity in that

subsidiary, the Company continues to recognize losses in proportion to its shareholding.

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. Non-controlling interests are adjusted directly in equity for any difference between the adjustment amount and the fair value of the consideration paid or received.
5. When the Company 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 Company 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.
6. According to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", the current profit or loss and other comprehensive income in the Parent Company Only Financial Statement should be the same as the current profit or loss and other comprehensive income attributable to owners of parent company in the financial statements prepared on a consolidated basis. The equity of owners in the Parent Company Only Financial Statement should be the same as the equity attributable to owners of parent in the financial statements prepared on a consolidated basis.

(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 Company, 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 Company 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 pattern of the future economic benefits contained in the assets, then from the date of 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 39 years
Factory Facility Equipment	3 to 35 years
Machinery and Transportation Equipment	5 to 8 years
Miscellaneous equipment	3 to 10 years

4. When the disposal or anticipated use does not generate future economic benefits, property, plant and equipment will 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 Company assesses whether the contract is (or includes) a lease on the contract establishment date. For contracts that include a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to the lease component based on the relative standalone price of each lease component and the aggregate standalone price of the non-lease components.

1. The Company is the lessee

Apart from the lease expenses for low-value underlying assets and short-term leases recognized on a straight-line basis, the Company 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 on the balance sheet.

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 changes in the lease term, the assessment of the purchase option for the underlying asset, the expected payments under the residual value guarantee, or changes in the index or rate used to determine lease payments result in changes to future lease payments, the Company 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 balance sheet.

(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 will be reviewed at the end of the reporting period, and any impact of changes in estimates will be deferred.

(12) Impairment loss on non-financial assets

The Company estimates the recoverable amount of assets with indications of impairment as of balance sheet date. When the recoverable amount is less than its carrying amount, impairment loss is recognized. 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, with the discount rate reflecting the market's assessment of the time value of money and specific risks associated with the liability being a pre-tax discount rate, and the amortization of the discount is 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 reduced future payments.

(2) Defined benefit plans

A. The net obligation under defined benefit plans is calculated by discounting the amount of future benefits earned by employees for their current or past service, and is presented as the present value of defined benefit obligations 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 of 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 of government bonds (as of the balance sheet date) is used.

B. Re-measurement amounts arising from defined benefit plans are recognized in other comprehensive income for the period in which they occur and are 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. Post-retirement benefits

Employee benefits upon termination refer to the benefits provided when employment is terminated before the normal retirement date or when an employee decides to accept the company's benefits offer 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 twelve months after the end of the reporting period 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 fundamental 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 Company repurchases issued shares, recognizing the consideration paid at the time of repurchase (including directly attributable costs) as "treasury shares", as a deduction 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 generated from transactions of the same type capital surplus. 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 generated from transactions of the same type capital surplus.

(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 for the employee services received, recognized as compensation cost over the vesting period, and adjusted against equity. The fair value of equity instruments should reflect the effects of both market conditions and non-market conditions. The recognized compensation cost is adjusted based on the expected number of awards that will meet the service conditions and non-market vesting 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 items related to other comprehensive income or directly recognized in equity, the income tax is recognized in profit or loss.
2. The current income tax is calculated based on the taxable income generated from the Company's operations, using the tax rates that have been enacted or substantively enacted as of the date of the balance sheet. Management assesses the status of income tax filings periodically in accordance with applicable regulations, and estimates income tax liabilities based on expected payments to 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 adopts the balance sheet method, recognizing temporary differences arising from the taxable bases of assets and liabilities and their carrying amounts in the balance sheet. Deferred tax liabilities arising from the origination of goodwill recognized initially shall not be recognized. If the 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 (tax loss) at the time of the transaction, and there are no equal taxable and deductible temporary differences generated at the time of the transaction, then it shall not be recognized. If the temporary differences arising from the investee are controllable by the Company regarding the timing of their reversal, and if the temporary differences are unlikely to reverse in the foreseeable future, they shall 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 the unrecognized and recognized deferred tax assets are reassessed at the end of each reporting period.
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 realize assets and settle liabilities simultaneously, 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 assessed by the same tax authority for the same taxpayer, or different taxpayers but each intends to settle on a net basis or realize assets and settle liabilities simultaneously, the deferred tax assets and liabilities shall be offset.

6. Tax incentives arising from the acquisition of equipment or technology, research and development expenses, talent training expenses, and equity investments shall adopt income tax offset accounting.

(18) Revenue recognition

The Company recognizes revenue from revenue from contracts with customers according to 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 between the transfer and 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 at the point of transfer of control of the product to the customer, as the customer has established a price for the goods and has the right to use them, bearing the primary responsibility for resale and assuming the risk of obsolescence. The Company recognizes revenue and accounts receivable at that point in time; and expresses it net of sales returns, quantity discounts, and allowances.

The control of ownership of processed products is not transferred during the processing of materials, therefore revenue is not recognized at the time of material processing.

2. Dividend income and interest revenue

(1) The dividend income generated from investments is recognized when the right to receive payment is established for shareholders, provided that the economic benefits related to the transaction are likely to flow into the Company, and the amount of income can be measured reliably.

(2) Interest revenue is recognized on an accrual basis based on the passage of time, 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 capitalization conditions.

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

(20) Government Subsidy

Government grants shall be recognized at fair value only when it is reasonably assured that the Company 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 during the periods in which the related costs for which they are intended to compensate are recognized as expenses by the Company. If government grants are used to compensate for expenses or losses that have already occurred, or are intended to provide immediate financial support to the Company without any related future costs, they shall be recognized in profit or loss during the period in which they are 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 Company prepares this Parent Company Only Financial Statement based on the following critical accounting judgments, key sources of estimates, and assumptions adopted in the accounting policies:

(1) Important judgments adopted in accounting policies

1. Revenue recognition

The Company determines under IFRS 15 whether it has obtained or has not obtained control of specific goods or services before transferring them to the customer, and whether it acts as the principal or agent in that transaction. If it is determined to be the agent in the transaction, then the net amount of the transaction is recognized as revenue.

If any of the following situations occur, the Company shall be the principal.

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

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

(3) The Company obtains control over goods or services from another party for the purpose of combining them with other goods or services to provide specific goods or services to customers.

Indicators used to assist in determining whether the Company controls the specific goods or services before transferring them to customers include (but are not limited to):

(1) The Company has primary responsibility for the commitment to provide specific goods or services.

(2) The Company assumes inventory risk before and after transferring specific goods or services to customers, or after control is transferred to customers (for example, if customers have the right of return).

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

2. Assessment of the Business Model for the Classification of Financial Assets

The Company assesses the operating model of financial assets based on the level of joint management of the financial asset group to achieve specific business 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 Company continuously assesses the appropriateness of its operating model and, for this purpose, monitors the financial assets measured at amortized cost that are derecognized before maturity and the debt instrument investments measured at other comprehensive income at fair value, understanding the reasons for their disposal to evaluate whether such disposals are consistent with the objectives of the operating model. If it is found that the business model has changed, the Company will reclassify financial assets in accordance with the provisions of IFRS 9, and the application will be deferred from the date of reclassification.

3. Lease term

In determining the lease term, the Company considers all relevant facts and circumstances that create economic incentives to exercise (or not exercise) the option, 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 covering the period of the options, significant leasehold improvements made (or expected to be made) during the contract period, and the importance of the underlying assets to the Company's operations. When significant events or changes occur within the control scope of the Company, 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, fulfilling the performance obligation, and is net of estimated related sales returns, discounts, and other similar allowances. The estimated sales returns and discounts are based on historical experience and other known reasons, and the Company regularly reviews the reasonableness of the estimates.

2. Estimated impairment of financial assets

Accounts receivable estimated impairment is based on the Company assumptions regarding default rates and expected loss rates. The Company 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 Company determines whether to outsource the valuation and decides on the appropriate fair value valuation techniques in accordance with relevant laws or based on judgment.

If first-level input values cannot be obtained when estimating fair value, the Company determines the input values by referencing analyzes of the investee's financial condition and operating results, recent transaction prices, quotations of similar equity instruments in inactive markets, quotations of similar instruments in active markets, and comparable company valuation multiples. If the actual future changes in input values differ from expectations, it may result in changes in fair value. the Company regularly updates various input values based on market conditions to monitor whether fair value measurement is appropriate.

4. Impairment assessment of tangible assets and intangible assets

In the process of assessing asset impairment, the Company needs to rely on subjective judgment and determine the independent cash flows, useful life of assets, and potential future income and expenses for specific asset groups based on the asset usage patterns and industry characteristics. Any changes in estimates due to shifts in economic conditions or company strategies may lead to 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 regulatory changes may lead to significant adjustments in deferred tax assets.

6. Valuation of inventories

As inventories must be valued at the lower of cost and net realizable value, the Company must exercise judgment and estimates to determine the net realizable value of inventories as of the balance sheet date. The Company assesses the amount of inventory on the balance sheet date due to normal wear and tear, obsolescence, or lack of market sales value, and reduces the cost of inventory to its net realizable value.

7. Investments accounted for using equity method impairment assessment

When there are indications of impairment showing that an investment accounted for using the equity method may have suffered impairment, resulting in the carrying amount being unrecoverable, the Company will promptly assess the impairment of that investment. The Company assesses the recoverable amount based on the present value of the expected future cash flows from the investee company or the expected cash dividends cash dividends and the present value of future cash flows generated from the disposal of investments, and analyzes the reasonableness of the related assumptions.

8. Calculation of net defined benefit liabilities

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

9. 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 relevant term, taking into account the estimated credit risk spread of the lessee and specific lease adjustments (such as asset-specific factors and collateral).

6. Contents of Significant Accounts

(1) Cash and cash equivalents

Item	December 31, 2024	December 31, 2023
Cash on hand	$ 1,037	$ 1,527
Checking account	10	10
Demand deposits	90,087	110,363
Foreign currency deposits	84,546	88,238
Cash equivalents		
Time deposits with maturities of less than 3 months	491,165	550,558
Total	$ 666,845	$ 750,696

1. The Company has good credit quality with the financial institutions it deals with, and the Company engages with multiple financial institutions to diversify credit risk, making the likelihood of default very low.
2. The Company had not pledged cash and cash equivalents.

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

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

1. The Company recognized net (loss) income of 23,646 thousand and 16,513 thousand for the years 2024 and 2023, respectively.
2. The Company’ 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 December 31, 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	2024.11~2025.01	32.35	USD 570
Buy USD and sell NTD	2024.11~2025.01	32.39	USD 1,000

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

(3) Accounts receivable, net

Item	December 31, 2024		December 31, 2023	
At amortized cost				
Accounts receivable	$	390,022	$	339,845
Less: loss allowance		(2,602)		(7,370)
Accounts receivable, net	$	387,420	$	332,475
Accounts receivable - related party	$	109,356	$	57,747
Accounts receivable - related party, net	$	109,356	$	57,747
Accounts receivable, net	$	496,776	$	390,222

1. The Company has accounts receivable that were neither past due nor impaired, which comply with the credit standards established based on the industry characteristics,

operation scale, and profitability of the counterparties. The average credit period for automated equipment in the automation machinery segment is 4-6 months (excluding the final payment, which is generally about 10% to 30%, with collection based on the agreement, usually within 1 year after delivery); general components are 4-6 months.

2. The Company had not pledged accounts receivable.
3. Please refer to Note 7 for the accounts receivable with related parties.
4. The Company applies the simplified approach to provisions for lifetime ECLs recognized for accounts receivable. 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 Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for losses based on past due status of accounts receivable is not further distinguished between the customer groups.
5. The Company measures the loss allowance for notes receivable and accounts receivable (including related parties) according to the provision matrix as follows:

December 31, 2024	Expected Credit Loss Rate	Accounts receivable	Loss allowance (lifetime ECLs)	Amortized Cost
Not overdue	0%～1%	$ 471,650	$ (365)	$ 471,285
Overdue 0 to 30 days	0%～5%	15,254	(524)	14,730
Overdue 31 to 180 days	0%～20%	3,767	(182)	3,585
Overdue 181 to 365 days	0%～50%	7,057	(706)	6,351
Overdue for more than 1 year	0%～100%	1,650	(825)	825
Transaction counterparty shows signs of default.	100%	-	-	-
Total		$ 499,378	$ (2,602)	$ 496,776

December 31, 2023	Expected Credit Loss Rate	Accounts receivable	Loss allowance (lifetime ECLs)	Amortized Cost
Not overdue	0%～1%	$ 343,286	$ (552)	$ 342,734
Overdue 0 to 30 days	0%～5%	24,440	(1,666)	22,774
Overdue 31 to 180 days	0%～20%	13,765	(940)	12,825
Overdue 181 to 365 days	0%～50%	12,972	(1,185)	11,787
Overdue for more than 1 year	0%～100%	1,148	(1,046)	102
Transaction Counterparty shows signs of default.	100%	1,981	(1,981)	-
Total		$ 397,592	$ (7,370)	$ 390,222

6. Notes receivable and accounts receivable changes of loss allowance (including related parties) were as follows:

Item	2024	2023
Beginning balance	$ 7,370	$ 13,051
Less: impairment loss reversal	(4,768)	(5,681)
Ending balance	$ 2,602	$ 7,370

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

If there is evidence indicating that the counterparty is facing severe financial difficulties and the Company cannot reasonably expect to recover the amount, the Company will directly write off the relevant accounts receivable. However, recovery activities will continue, and any amounts recovered will be recognized in profit or loss. The Company has written off accounts receivable for the years 2024 and 2023, amounting to 0thousand.

7. Please refer to Note 12 for relevant credit risk management and assessment methods.

(4) Other receivables

Item	December 31, 2024	December 31, 2023
Other receivables		
Sales tax refundable	$ 4,395	$ 5,449
Interest receivable	471	1,156
Other receivables	83	46
Subtotal	$ 4,949	$ 6,651
Less: loss allowance	-	-
Other receivables subtotal	$ 4,949	$ 6,651
Other receivables - related parties		
Current receivables for financial loans	$ 266,807	$ 117,050
Interest receivable	2,391	293
Accounts receivable overdue from sales	29,231	21,480
Other receivables	6,177	3,688
Other receivables - related parties subtotal	$ 304,606	$ 142,511
Total	$ 309,555	$ 149,162

(5) Inventories and cost of sales

Item	December 31, 2024	December 31, 2023
Raw materials	$ 475,686	$ 496,118
Work in progress	205,916	248,941
Finished products	100,025	183,220
Total	$ 781,627	$ 928,279

1. The related gain (loss) recognized as cost of sales for the current periods of 2024 and 2023 is as follows:

Item	2024		2023	
Cost of goods sold	$	712,707	$	529,874
Inventory write-down and obsolescence losses (reversal of gains)		44,444		39,000
Total operating costs	$	757,151	$	568,874

2. The Company recognized inventory obsolescence and impairment losses of $44,444 thousand and $39,000 thousand, respectively, as it wrote down inventory to net realizable value due to obsolescence or lack of market sales value for the years 2024 and 2023.
3. The Company 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	$	100,000	$	300,000
Restricted assets		1,359		22,573
Total	$	101,359	$	322,573

(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 Company 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 Company 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 chooses to designate such investments as measured at fair value through other comprehensive income in accordance with fair value.
2. Please refer to Note 12 for relevant credit risk management and assessment methods.
3. The Company had not pledged the financial assets at fair value through other comprehensive income.

(8) Investments accounted for using equity method

Item	December 31, 2024	December 31, 2023
Investee Subsidiary	$ 273,862	$ 384,446

1. Investee Subsidiary

Investee	December 31, 2024	December 31, 2023
TECH-WAVE Industrial Co., Ltd.	$ 16,710	$ 23,107
E&R Semiconductor Materials Co., Ltd.	74,490	93,036
ENRICHMENT TECH. CORPORATION	49,915	55,242
EXCELLENT INTERNATIONAL Holdings Limited	129,365	213,061
EXCELLENT TECHKNOWLEDGIES Holdings Pte Ltd.	3,382	-
Total	$ 273,862	$ 384,446

The Company has the ownership interests and voting percentage of the above-mentioned subsidiaries as of balance sheet date as follows:

Item	December 31, 2024	December 31, 2023
TECH-WAVE Industrial Co., Ltd.	51.43%	51.43%
E&R Semiconductor Materials Co., Ltd.	100.00%	100.00%
ENRICHMENT TECH. CORPORATION	100.00%	100.00%
EXCELLENT INTERNATIONAL Holdings Limited	100.00%	100.00%
EXCELLENT TECHKNOWLEDGIES Holdings Pte Ltd.	100.00%	-

(1) For information regarding the Company's subsidiaries, please refer to the Company's 2024 Notes on Consolidated Financial Statements 4(3).

(2) Investments accounted for using equity method and the share of profits and losses and other comprehensive income are calculated based on the financial reports audited by the certified public accountant.

(3) The Company had not pledged investments accounted for using equity method as of December 31, 2024 and December 31, 2023.

(9) Property, plant and equipment

Item	December 31, 2024	December 31, 2023
Land	$ 51,515	$ 51,515
Building	289,840	287,854
Machinery and equipment	3,031	8,967
Transportation facilities	11,617	10,922
Office equipment	14,262	13,124

	December 31, 2024	December 31, 2023
Miscellaneous equipment	452,324	410,151
Equipment to be inspected and construction in progress	226,093	12,930
Total cost	$ 1,048,682	$ 795,463
Less: Accumulated depreciations	(413,631)	(358,368)
Accumulated impairment	-	-
Total	$ 635,051	$ 437,095

	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	$ 287,854	$ 8,967	$ 434,197	$ 12,930	$ 795,463
Additions	-	3,134	-	17,501	219,537	240,172
Disposal	-	(3,074)	(5,936)	(25,728)	-	(34,738)
Impairment loss	-	-	-	-	(4,524)	(4,524)
Transfer from inventories	-	-	-	59,012	-	59,012
Transfer to inventories	-	-	-	(6,457)	-	(6,457)
Transfer to computer software	-	-	-	-	(246)	(246)
Reclassification	-	1,926	-	(322)	(1,604)	-
Balance at December 31,2024	$ 51,515	$ 289,840	$ 3,031	$ 478,203	$ 226,093	$ 1,048,682
Accumulated depreciations and impairments						
Balance at January 1, 2024	$ -	$ 124,429	$ 8,967	$ 224,972	$ -	$ 358,368
Depreciation	-	14,561	-	75,231	-	89,792
Disposal	-	(3,074)	(5,936)	(24,776)	-	(33,786)
Transfer to inventories	-	-	-	(743)	-	(743)
Reclassification	-	285	-	(285)	-	-
Balance at December31, 2024	$ -	$ 136,201	$ 3,031	$ 274,399	$ -	$ 413,631

	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	$ 284,385	$ 12,157	$ 336,113	$ 7,875	$ 692,045
Additions	-	3,469	-	14,453	7,643	25,565
Disposal	-	-	(3,190)	(29,080)	-	(32,270)
Transfer to expense	-	-	-	-	(476)	(476)
Transfer from inventories	-	-	-	145,786	-	145,786
Transfer to inventories	-	-	-	(33,892)	-	(33,892)
Transfer to computer software	-	-	-	-	(1,295)	(1,295)
Reclassification	-	-	-	817	(817)	-
Balance at December 31,2023	$ 51,515	$ 287,854	$ 8,967	$ 434,197	$ 12,930	$ 795,463
Accumulated depreciations and impairments						

Balance at January 1, 2023	$ -	$ 110,270	$ 12,157	$ 205,809	$ -	$ 328,236
Depreciation	-	14,159	-	61,904	-	76,063
Disposal	-	-	(3,190)	(27,970)	-	(31,160)
Transfer to inventories	-	-	-	(14,771)	-	(14,771)
Balance at December 31,2023	$ -	$ 124,429	$ 8,967	$ 224,972	$ -	$ 358,368

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

1. Please refer to Note 6(31) for the capitalized borrowing costs on property, plant and equipment.
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	$ 240,172	$ 25,565
Changes in equipment payable	1,271	(1,271)
Cash paid for acquisition of property, plant and equipment	$ 241,443	$ 24,294

(10) Lease agreement

1. Right-of-use assets

Item	December 31, 2024	December 31, 2023
Land	$ 108,007	$ 108,244
Building	7,623	4,391
Transportation facilities	2,757	2,568
Total cost	$ 118,387	$ 115,203
Less: accumulated depreciations	(29,043)	(21,388)
Net amount	$ 89,344	$ 93,815

Cost	Land	Building	Transportation facilities	Total
Balance at January 1, 2024	$ 108,244	$ 4,391	$ 2,568	$ 115,203
Net increase	-	7,623	960	8,583
Net decrease	(237)	(4,391)	-	(4,628)
Derecognition upon maturity	-	-	(771)	(771)
Balance at December 31, 2024	$ 108,007	$ 7,623	$ 2,757	$ 118,387
Accumulated Depreciations				

	Land	Building	Transportation facilities	Total
Balance at January 1, 2024	$ 17,027	$ 2,927	$ 1,434	$ 21,388
Depreciation	5,373	5,448	898	11,719
Net decrease	-	(3,293)	-	(3,293)
Derecognition upon maturity	-	-	(771)	(771)
Balance at December 31, 2024	$ 22,400	$ 5,082	$ 1,561	$ 29,043

Cost	Land	Building	Transportation facilities	Total
Balance at January 1 2023	$ 108,938	$ 4,391	$ 3,799	$ 117,128
Net increase	-	-	1,245	1,245
Net decrease	(694)	-	-	(694)
Derecognition upon maturity	-	-	(2,476)	(2,476)
Balance at December31, 2023	$ 108,244	$ 4,391	$ 2,568	$ 115,203
Accumulated Depreciations				
Balance at January 1, 2023	$ 11,629	$ 1,464	$ 2,505	$ 15,598
Depreciation	5,398	1,463	1,405	8,266
Derecognition upon maturity	-	-	(2,476)	(2,476)
Balance at December 31, 2023	$ 17,027	$ 2,927	$ 1,434	$ 21,388

2. Lease liabilities

	December 31, 2024	December 31, 2023
Carrying amount of lease liabilities		
Current	$ 6,101	$ 5,009
Noncurrent	$ 86,297	$ 90,234

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 lease liabilities with repayment periods.

3. Material lease-in activities and terms

The Company leases certain land, buildings, and vehicles for operational use, with lease terms ranging from 3 to 35 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 Company has included the renewal option upon the expiration of the lease term in the lease liabilities. Furthermore, according to the contract agreement, without the consent of the lessor, the Company 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	$ 7,861	$ 4,901
Low-value assets lease expenses	$ 434	$ 480

	2024	2023
Variable lease payment expenses not included in the measurement of lease liabilities	$ -	$ -
Total cash outflow of leases (Note)	$ (18,256)	$ (12,149)

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

(11) Intangible assets

Item	December 31, 2024	December 31, 2023
Computer software cost	$ 27,185	$ 21,786
Other intangible assets	-	5,000
Total cost	$ 27,185	$ 26,786
Less: Accumulated amortization	(14,060)	(10,613)
Net amount	$ 13,125	$ 16,173

	Computer software cost	Other intangible assets	Total
Cost			
Balance at January 1, 2024	$ 21,786	$ 5,000	$ 26,786
Additions	5,153	-	5,153
Property, plant and equipment transferred in	246	-	246
Derecognition upon maturity	-	(5,000)	(5,000)
Balance at December 31, 2024	$ 27,185	$ -	$ 27,185
Accumulated Amortization			
Balance at January 1, 2024	$ 6,363	$ 4,250	$ 10,613
Amortization expense	7,697	750	8,447
Derecognition upon maturity	-	(5,000)	(5,000)
Balance at December 31, 2024	$ 14,060	$ -	$ 14,060

	Computer software cost	Other intangible assets	Total
Cost			
Balance at January 1, 2023	$ 23,481	$ 5,000	$ 28,481
Additions	13,065	-	13,065
Property, plant and equipment transferred in	1,295	-	1,295
Derecognition upon maturity	(16,055)	-	(16,055)

Balance at December 31, 2023	$ 21,786	$ 5,000	$ 26,786
Accumulated Amortization			
Balance at January 1, 2023	$ 13,979	$ 3,250	$ 17,229
Amortization expense	8,439	1,000	9,439
Derecognition upon maturity	(16,055)	-	(16,055)
Balance at December 31, 2023	$ 6,363	$ 4,250	$ 10,613

(12) Short-term loans

December 31, 2024: None.

	December31, 2023	
Borrowings Nature	Amount	Interest Rate
Working capital loan	$ 97,000	2.075%~2.13%

For short-term borrowings, the Company 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	$ 53,387	$ 48,602
Commission payable	19,155	22,364
Labor costs payable	2,061	1,825
Interest payable	69	203
Insurance payable	4,172	4,067
Machinery and equipment payable	-	1,271
Employee and director remunerations payable	-	4,500
Other	12,786	17,405
Total	$ 91,630	$ 100,237

(14) Provisions liability － current

Item	December 31, 2024	December 31, 2023
Employee benefits	$ 6,375	$ 6,783
Warranty provision	26,607	21,979
Total	$ 32,982	$ 28,762

	2024		
Item	Employee benefits	Warranty provision	Total
Balance at January 1	$ 6,783	$ 21,979	$ 28,762
The provisions liability added during the period	1,100	35,905	37,005
The provisions liability used during the period	(1,508)	(31,277)	(32,785)
Balance at December 31	$ 6,375	$ 26,607	$ 32,982

Item	2023 Employee benefits	2023 Warranty provision	2023 Total
Balance at January 1	$ 7,843	$ 81,852	$ 89,695
The provisions liability added during the period	6,783	-	6,783
The provisions liability used during the period	(7,843)	(59,873)	(67,716)
Balance at December 31	$ 6,783	$ 21,979	$ 28,762

1. Employee benefits provisions liability represent the estimation of employees' accrued short-term service leave rights.
2. The Company provides warranty services that correspond to the agreed specifications for products related to the sale of machinery, and 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	$ 16,986	$ 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 Company was approved by the regulatory 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%, an issuance period 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 redeem the bonds at face value plus accrued interest compensation on the maturity dates in 3 and 4 years. The accrued interest compensation for 3 and 4 years are total amounts of 1.5075% and 2.0151%, respectively. As of December 31, 2024, the amount requested for redemption 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 conversion regarding the 3rd bonds payable in this period is as follows:

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

(17) Long-term loans

Item	December 31, 2024	December 31, 2023
Mortgage loans	$ 73,390	$ 90,095
Less: due within one year	(16,986)	(17,172)
Total	$ 56,404	$ 72,923
Interest rate range	2.125%-2.36%	2.213%-2.24%

For the collateral of the above long-term borrowings, please refer to Note 8 for details.

(18) Pension

1. Defined contribution plans

(1) The Company applies a pension system under the "Labor Pension Act" which 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 Company has recognized total expenses of 13,870 thousand and 12,277 thousand in the statement of comprehensive income for the years 2024 and 2023, respectively, in accordance with the defined contribution plans specifying the amounts to be allocated.

2. Defined benefit plans

(1) The Company pension system applicable under our "Labor Standards Act" is a government-managed defined benefit retirement plan. The payment of employee pensions is calculated based on years of service and the average salary for the six months prior to the approved retirement date. The Company allocates 2.51% of the total monthly salaries of employees to the employee retirement fund, which is deposited into a special account at Taiwan Bank in the name of the Labor Retirement Reserve Supervisory Committee. Before the end of the year, if it is estimated that the balance in the special account is insufficient to cover the laborers expected to meet retirement conditions in the following year, the shortfall will be allocated in a lump sum before the end of March of the following year. The special account is managed by the Labor Fund Management Bureau of the Ministry of Labor, and the Company has no rights to influence the investment management strategy.

(2) The Company recognizes the obligations arising from defined benefit plans in the Parent Company Only Balance Sheets as follows:

Item	December 31, 2024	December 31, 2023
Present value of defined benefit obligation	$ 24,692	$ 26,591
Fair value of plan assets	(20,931)	(19,190)
Net defined benefit liabilities (assets)	$ 3,761	$ 7,401

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

	2024		
Item	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
Balance at January 1	$ 26,591	$ (19,190)	$ 7,401
Service cost			
Interest expense(income)	319	(230)	89
Recognized in profit or loss	$ 319	$ (230)	$ 89
Re-measurement amount			
Plan asset return (excluding amounts included in net interest)	$ -	$ (1,573)	$ (1,573)
Actuarial (gain) loss -			
Impact of changes in financial assumptions	(669)	-	(669)
Experience adjustment	642	-	642
Recognized in other comprehensive income (loss)	$ (27)	$ (1,573)	$ (1,600)
Employer contribution amount	$ -	$ (2,129)	$ (2,129)

Welfare payment amount	(2,191)	2,191	-
Balance at December 31	$ 24,692	$ (20,931)	$ 3,761

Item	2023		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
Balance at January 1	$ 25,043	$ (16,563)	$ 8,480
Service cost			
Interest expense(income)	326	(215)	111
Recognized in profit or loss	$ 326	$ (215)	$ 111
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
Re-measurement amount			
Plan asset return (excluding amounts included in net interest)	$ -	$ (97)	$ (97)
Actuarial (gain) loss -			
Impact of changes in financial assumptions	180	-	180
Experience adjustment	1,363	-	1,363
Recognized in other comprehensive income (loss)	$ 1,543	$ (97)	$ 1,446
Employer contribution amount	$ -	$ (2,636)	$ (2,636)
Welfare payment amount	(321)	321	-
Balance at December 31	$ 26,591	$ (19,190)	$ 7,401

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

A. Investment risk

The Labor Fund Management Bureau of the Ministry of Labor invests the labor retirement fund in domestic (foreign) equity securities, debt securities, and cash in banks through self-management and entrusted management. However, the amount to be allocated for the plan assets of the Company is calculated based on the income derived from not less than the local bank's 2-year fixed deposit interest rate.

B. Interest rate risk

The decrease in the interest rate of government bonds will lead to an increase in 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 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 plan members' salaries will result in an increase in the present value of defined benefit obligations.

(5) The Company's defined benefit obligation present value is calculated by qualified actuaries. The significant assumptions for measurement date are listed as follows:

Item	Measurement Date	
	December 31, 2024	December 31, 2023
Discount rate	1.60%	1.20%
Future salary increase rate	2.00%	2.00%
Average duration of defined benefit obligations	7 years	7 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%	$ (404)	$ (446)
Decrease 0.25%	$ 415	$ 459
Expected salaries increase rate		
Increase 0.25%	$ 351	$ 388
Decrease 0.25%	$ (344)	$ (380)

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.

(6) The Company expects to allocate $89 thousand to the retirement plan in 2025.

(19) Long-term deferred revenue

Item	December 31, 2024	December 31, 2023
Deferred revenue:		
Equipment subsidy	$ 5,972	$ 5,972
Less: cumulated recognized revenue	(1,259)	(862)
Less: reclassified advance receipts (current portion)	(398)	(398)
Ending balance	$ 4,315	$ 4,712

(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 issued employee stock options, which have been requested for exercise by the Company for 359 thousand shares and 0 thousand shares in the years 2024 and 2023, respectively, with exercise prices of NTD 29.9 and NTD 0, respectively, as of December 31, 2024 and December 31, 2023, of which 147 thousand shares and 0 thousand shares remain unregistered for change, with principal amounts of 1,468 thousand and 0 thousand recorded under advance share payments.

(3) The Company issued convertible bonds with a face value 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 December 31, 2023, respectively. Among these, 7,620 thousand shares and 0 thousand shares have completed the registration change to be included in the 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		December 31, 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 capital to cover capital losses not filled by surplus reserves, it may not supplement it 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 at 50%. 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 for employee stock options for the years 2024 and 2023, both amounting to 0 thousand.

(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.

Stock Options	2023	
	Quantity (thousand shares)	Weighted Average Exercise Price
Outstanding shares at the beginning of the period	30	15.40
Granted	-	-
Exercise	-	-
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 share option, 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 closing price of the Company's ordinary shares on the issuance date of this employee stock option certificate at 50%. 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
Granted	-	-
Exercise	(359)	29.90
Received	(13)	29.90
Outstanding at end of period	128	29.90
Stock options exercisable at the end of the period	128	

2023

Stock Options	Quantity (thousand shares)	Weighted Average Exercise Price
Outstanding shares at the beginning of the period	500	31.30
Granted	-	-
Exercise	-	-
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. Since there was a loss for that year, only the reversal of

the debit balance of other equity interest amounting to special reserve 28,752 thousand was made, with no earning appropriation.

6. Regarding the Proposal of the Board of Director and the shareholders' resolution on the earnings distribution, 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 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
	Exchange differen ces on translation of foreign financia l statements	Unrealized (loss) gain on financial assets at fa ir value through other comprehensive income	Total
Unrealized (loss) gain on financial assets 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 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 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

Reason for recovery	2024 January 1	Additions	Reductions	December 31
Employee benefits	2,823	-	-	2,823

Unit: Thousand Shares

Reason for recovery	2023 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, as approved by the board of directors, to buy back 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, with the board of directors' resolution approved to buy back 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 resolution 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) Operating revenue

Item	2024	2023
Revenue from contracts with customers		
Sales revenue	$ 1,329,931	$ 1,180,344
Sales returns	(97)	(24,522)
Sales discounts	(746)	(1,492)
Operating revenue net amount	$ 1,329,088	$ 1,154,330

1. Description of customer contracts

Sales revenue from mechanical products and their components is mainly to downstream customers, sold at the price agreed in the contract.

2. Contract revenue details:

The Company's revenue is mainly related to automation machinery, and its sales geographical areas can be subdivided as follows:

	2024	2023
Major regional markets		
Taiwan	$ 589,335	$ 291,752
Hong Kong and China	317,606	135,675
Southeast Asia	178,583	392,992
America	224,560	287,847
Europe	13,886	45,824
Other countries	5,118	240
Total	$ 1,329,088	$ 1,154,330
Main product line		
Automation machinery	$ 1,329,088	$ 1,154,330
Timing of revenue recognition		

Obligations fulfilled at a point of time	$ 1,329,088	$ 1,154,330
Obligations fulfilled over time	-	-
Total	$ 1,329,088	$ 1,154,330

3. Contract balances

The Company 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	$ 496,776	$ 390,222	$ 729,860
Contract assets	-	-	-
Total	$ 496,776	$ 390,222	$ 729,860
Contract liabilities - current	$ 22,936	$ 23,027	$ 36,813

(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 the beginning balance of contract liabilities - goods sales	$ 23,027	$ 32,241
Revenue from performance obligations satisfied in prior periods	$ -	$ -

(27) Labor cost, depreciation and amortization expense

	2024		
Nature of characteristics	Operating Costs	Operating Expenses	Total
Labor cost			
Salaries	$ 20,283	$ 267,198	$ 287,481
Labor insurance and health insurance expenses	2,351	23,918	26,269
Pension	1,126	12,833	13,959
Director remuneration	-	1,440	1,440
Other employee benefit expenses	1,355	11,335	12,690
Depreciation	6,435	95,076	101,511
Amortization expense	-	8,447	8,447

Total	$ 31,550	$ 420,247	$ 451,797

Nature of Characteristics	2023		
	Operating Costs	Operating Expenses	Total
Labor cost			
Salaries	$ 16,041	$ 236,687	$ 252,728
Labor insurance and health insurance expenses	2,122	22,460	24,582
Pension	992	11,396	12,388
Director remuneration	-	2,046	2,046
Other employee benefit expenses	1,038	8,744	9,782
Depreciation	7,954	76,375	84,329
Amortization expense	-	9,439	9,439
Total	$ 28,147	$ 367,147	$ 395,294

1. The Company has the following additional information regarding the number of employees and employee benefit expenses as of December 31, 2024 and December 31, 2023:

	2024	2023
Employee headcount	298	314
Number of directors who are not concurrently employees	5	5
Average employee benefits cost	$ 1,162	$ 969
Average employee salary expense	$ 981	$ 818
Average employee salary expense adjustment	19.93%	(20.04%)

2. The Company salary compensation policy (including directors, managerial officers and employees) is as follows:

(1) Director remuneration

The Company remuneration payment policy, system, standards, and structure for general directors and independent directors, and clarifying the correlation between the remuneration amount and factors such as responsibilities, risks, and time invested:

A. According to the provisions of the Company's Articles of Incorporation, the remuneration of the Chairman, Vice Chairman, and Directors of the Company shall be determined by the Board of Directors, based on their level of participation in the operations of the Company, the value of their contributions, and by reference to industry standards both domestically and internationally.

B. In the Articles of Incorporation, it is also clearly stipulated that no more than 3% of the annual profit shall be allocated as director remuneration, and the recipients include directors who also serve as managerial officers. The principles are as follows:

a. All independent directors receive a fixed monthly remuneration;

b. Directors who also serve as managerial officers shall participate in the distribution of director remuneration;

c. Since all independent directors receive a fixed monthly remuneration, they will no longer participate in the distribution of director remuneration.

(2) Managerial officers' compensation

The Company provides the compensation policy, standards, and structure for managerial officers, as well as the procedures and their correlation with operational performance and future risks: the Company determines the amount of remuneration for its managers based on their roles, departmental performance, the Company's operational results for the year, and considerations of future risks, as reviewed by the compensation committee and submitted to the board of directors for resolution.

(3) Employee compensation

The Company is committed to providing employees with competitive compensation and benefits within the industry, establishing a compensation system that balances external competitiveness, internal equity, and legality, and adhering to the principle of profit-sharing with employees to attract, retain, develop, and motivate our staff. The Company employee remuneration includes monthly salaries and performance bonuses distributed based on quarterly or annual profit conditions, as stipulated in the Company Articles of Incorporation, allocating 5 to 10% of profits as employee compensation.

3. The Company allocates employee and director remunerations based on the pre-tax profit for the current year, before distribution, at rates of 5% to 10% and no more than 3% for employee and director remuneration. For the year 2024, due to the negative profit before tax, 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 annual financial statements are issued, they will be processed according to changes in accounting estimates and adjusted in the next fiscal year.

4. 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 related 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
Difference	$ -	$ -	-	$ -

The above employee remuneration is distributed in cash.

5. Information related to employee compensation and director remuneration approved by the Company's board of directors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

(28) Interest revenue

Item	2024	2023
Interest income		
Interest on bank deposits	$ 12,424	$ 21,528
Financial arrangements interest	3,943	836
Total	$ 16,367	$ 22,364

(29) Other income

Item	2024	2023
Rent income	$ 2,032	$ 452
Dividend income	942	890
Other income	4,807	2,603
Total	$ 7,781	$ 3,945

(30) Other gains and losses

Item	2024	2023
Valuation (loss) gain of financial assets and liabilities at fair value through profit or loss	$ 15,784	$ 14,461
Disposal of financial assets at fair value through profit or loss (gain)	7,862	2,052
Gains on disposals of equity method investments	-	489
Gain (loss) on foreign exchange, net	48,110	(6,683)
Gains (loss) on disposals of property, plant and equipment	(782)	868
Gain on lease modification	132	104
Impairment loss (Note)	(4,524)	-
Other expenses	(436)	-
Total	$ 66,146	$ 11,291

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

(31) Finance costs

Item	2024	2023
Interest expense：		
Bank loans	$ 2,353	$ 2,399
Convertible bonds	10,295	14,825
Interest on lease liabilities	2,201	2,212
Less: Amount of capitalized assets that meet the criteria	(764)	-
Finance costs	$ 14,085	$ 19,436

(32) Income tax

1. Tax expense

(1) tax expense components:

	2024	2023
Current income tax		
Income tax incurred in current period	$ 1,533	$ 12,157
Unappropriated retained earnings additional tax amount	-	6,147
Non-deductible foreign tax	3,050	1,108
	2024	2023
Adjustment in respect of prior year income tax overestimation or underestimation	(8,437)	-
The total of current income tax	$ (3,854)	$ 19,412
Deferred income tax		
The origination and reversal of temporary differences	$ 8,931	$ 1,353
The total of deferred income tax	$ 8,931	$ 1,353
Income tax expense (benefit)	$ 5,077	$ 20,765

The Company applies an income tax rate of 20%, and the tax rate applicable to the additional tax amount from unappropriated retained earnings is 5%.

(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	320	(289)
Total	$ 787	$ (503)

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 before income tax	$ (46,048)	$ 51,676
Profit before tax calculated at the statutory tax rate	(9,209)	10,335
Adjustments tax impact amount:		

Equity method recognized investment income (loss)	21,012	11,950
Realized (unrealized) gain (loss) on inventories	2,282	(1,138)
Realized investment losses	(5,521)	(1,402)
Realized (unrealized) warranty provision	925	(11,974)
Other	9,906	4,386
Unappropriated retained earnings additional tax amount	-	6,147
Non-deductible foreign tax	3,050	1,108
Adjustment in respect of prior year income tax overestimation or underestimation	(8,437)	-
Change in income tax		
Temporary differences	(8,931)	1,353
Recognized in profit or loss as tax expense	$ 5,077	$ 20,765

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

	2024			
	Opening balance	Recognized in profit or (loss)	Recognized in other comprehensive income (loss)	Ending balance
Deferred tax assets：				
Temporary differences				
Net defined benefit liabilities	$ 1,479	$ (407)	$ (320)	$ 752
Unrealized net loss on foreign currency exchange	2,516	(2,516)	-	-
Short-term warranty provision	4,396	925	-	5,321
Unrealized inventory loss	15,320	2,282	-	17,602
Unrealized bad debts loss	636	(636)	-	-
Unused vacation bonus	1,357	(82)	-	1,275
The foreign investment losses using the equity method	6,141	(4,067)	(467)	1,607
Other	8,489	(1,514)	-	6,975
Subtotal	$ 40,334	$ (6,015)	$ (787)	$ 33,532
Deferred tax liabilities：				
Temporary differences				
Unrealized foreign exchange gains	$ -	$ (3,192)	$ -	$ (3,192)
Investment income from foreign investments accounted for using the equity method	(276)	276	-	-
Subtotal	$ (276)	$ (2,916)	$ -	$ (3,192)
Total	$ 40,058	$ (8,931)	$ (787)	$ 30,340

	2023			
	Opening balance	Recognized in profit or (loss)	Recognized in other comprehensive income (loss)	Ending balance
Deferred tax assets：				
Temporary differences				
Net defined benefit liabilities	$ 1,695	$ (505)	$ 289	$ 1,479
Unrealized net loss on foreign currency exchange	-	2,516	-	2,516
Short-term warranty provision	16,370	(11,974)	-	4,396
Unrealized inventory loss	16,458	(1,138)	-	15,320
Unrealized bad debts loss	1,051	(415)	-	636
Unused vacation bonus	1,569	(212)	-	1,357

	Opening balance	Recognized in profit or (loss)	Recognized in other comprehensive income (loss)	Ending balance
The foreign investment losses using the equity method	482	5,659	-	6,141
Other	7,359	1,130	-	8,489
Subtotal	$ 44,984	$ (4,939)	$ 289	$ 40,334
Deferred tax liabilities：				
Temporary differences				
Unrealized foreign exchange gains	$ (1,892)	$ 1,892	$ -	$ -
Investment income from foreign investments accounted for using the equity method	(2,184)	1,694	214	(276)
Subtotal	$ (4,076)	$ 3,586	$ 214	$ (276)
Total	$ 40,908	$ (1,353)	$ 503	$ 40,058

4. Unrecognized deferred tax assets items item

Item	December 31, 2024	December 31, 2023
Equity method recognized investment losses	$ 43,241	$ 25,040

5. The Company income tax has been approved by the tax authority up to the year 2022.

(33) Other comprehensive income

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	$ 1,600	$ (320)	$ 1,280
Through other comprehensive income, financial assets measured at fair value unrealized gains (losses) recognized using the equity method for subsidiaries, associates, and joint ventures:	6,838	-	6,838
Defined benefit plan remeasurement amount	150	-	150
Subtotal	$ 8,588	$ (320)	$ 8,268
Items that may be reclassified subsequently to profit or loss：			
Recognize the share of subsidiaries, associates, and joint ventures using the equity method:			
	Before tax	Income tax (expense) benefit	Net amount after tax
Exchange differences on translation of foreign financial statements	$ 20,155	$ (467)	$ 19,688
Subtotal	$ 20,155	$ (467)	$ 19,688
Recognized in other comprehensive income (loss)	$ 28,743	$ (787)	$ 27,956

	2023		
Item	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	$ (1,446)	$ 289	$ (1,157)
Through other comprehensive income, financial assets measured at fair value unrealized gains (losses) recognized using the equity method for subsidiaries, associates, and joint ventures:	11,484	-	11,484
Defined benefit plan remeasurement amount	(24)	-	(24)
Subtotal	$ 10,014	$ 289	$ 10,303
Items that may be reclassified subsequently to profit or loss：			
Recognize the share of subsidiaries, associates, and joint ventures using the equity method:			
Exchange differences on translation of foreign financial statements	$ (6,745)	$ 214	$ (6,531)
Subtotal	$ (6,745)	$ 214	$ (6,531)
Recognized in other comprehensive income (loss)	$ 3,269	$ 503	$ 3,772

(34) 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
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)	-	-
	2024	2023
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 thousands)	101,138	97,264
Diluted earnings per share (after tax) ($)	$ (0.51)	$ 0.32

7. Related-Party Transactions

(1) Name of the parent company and ultimate controlling party:

The Company is the ultimate controller of the group.

(2) Name of related party and its relationship:

Name of Related Party	Relationship with the Company
E&R Semiconductor Materials Co., Ltd.	Subsidiary
Suzhou E&R PRECISION EQUIPMENT CO., LTD.(Note 1)	Subsidiary
Chen Tai Trading (Shanghai) Co. Ltd.	Subsidiary
E&R(Dongguan) Semiconductor Materials Co., Ltd.	Subsidiary
Wuxi E&R Semiconductor Materials Technology Co., Ltd.	Subsidiary
TECH-WAVE Industrial Co., Ltd.	Subsidiary
CRYSTAL ENTEC CORP.(Note 2)	Subsidiary
Superior Technology Semiconductor Co., Ltd	Subsidiary
GAIN PROFIT HOLDING LIMITED (Note 2)	Subsidiary
ENRICHMENT TECH. CORPORATION	Subsidiary
ENR APPLIED PACKING MATERIAL CORPORATION	Subsidiary
EXCELLENT INTERNATIONAL HOLDINGS LIMITED	Subsidiary

EXCELLENT TECHKNOWLEDGIES HOLDINGS PTE LTD	Subsidiary

Note 1: Liquidation was completed in April 2024.
Note 2: Liquidation was completed in November 2023.

(3) Significant transactions with related parties:

The Company discloses the details of transactions with related parties as follows:

1.Operating revenue

(1) Sales revenue

Related party category	2024	2023
Subsidiary	$ 84,512	$ 3,564

The Company sells to related parties at prices comparable to those for spare parts sales and general terms and conditions, with a credit period of approximately 9 months; equipment sales are handled according to the agreed terms. However, if the above policies cannot be implemented due to insufficient funds of the related party or due to losses, the Company considers it more important to fully support the operations of its subsidiaries to achieve the Company's global business objectives, and therefore defers collection; the Company will also list accounts receivable that exceed the normal credit period under other receivables due from related parties.

(2) Consignment purchasing raw materials:

The Company for the years 2024 and 2023 has agreed with its subsidiaries to purchase raw materials on behalf of the Company for amounts of $79,379 thousand and $70,182 thousand, respectively. As of December 31, 2024 and December 31, 2023, the accounts receivable arising from the aforementioned transactions were $76,302 thousand and $54,351 thousand, respectively.

The Company handles the procurement transactions for the aforementioned company at the agreed price, as there are no comparable transactions available, with the collection period agreed to be 270 days.

Note: The aforementioned purchasing transactions are processed on a collection and payment basis, without recognizing purchases and sales. Additionally, service income is charged based on a certain percentage of the purchasing amount, as detailed in Note 7(3)12. (1).

2. Purchases

Related party category	2024	2023
Subsidiary	$ 188	$ 139

(1) Finished products: the Company purchases products from related parties without any comparable transactions available, and the terms and conditions are determined through mutual negotiation.

(2) Raw materials: the Company purchases from related parties in accordance with general purchasing terms, comparable to other suppliers, with an average payment period of 30 to 90 days, and there are no significant differences compared to general suppliers.

3. Contract assets: None.
4. Contract liabilities: None.
5. Accounts Receivable from Related Parties

Account Item	Related party category	December 31, 2024	December 31, 2023
Accounts receivable-Sales	Subsidiary	$ 33,054	$ 3,396
Accounts receivable-Purchase	Subsidiary	76,302	54,351
Total		$ 109,356	$ 57,747
Other receivables	Subsidiary	$ 8,568	$ 3,981

6. Amounts payable to related parties (excluding borrowings from related parties)

Account Item	Related party category	December 31, 2024	December 31, 2023
Accounts payable	Subsidiary	$ 848	$ 770
Other payables	Subsidiary	$ -	$ 1,271

7. Prepayments: None.
8. Property transactions
(1) Acquisition of property, plant and equipment:

	Acquisition Price	
Related party category	2024	2023
Subsidiary	$ -	$ 4,726

The transaction price mentioned above was determined through negotiation between both parties. As of December 31, 2023, there remains an outstanding payment of NTD 1,271.

(2) Proceeds from disposal of property, plant and equipment:
2024 : None.
2023 :

		2023	
Related party category	Transaction Target	Selling Price	Sale (gain) loss
Subsidiary			
Superior Technology Semiconductor Co., Ltd.	Miscellaneous Equipment	$ 2,300	$ 1,190

The transaction price mentioned above was determined through negotiation between both parties. As of December 31, 2023, the sale proceeds of NTD 2,272 have not yet been received.

9. Loans to related parties

(1) Ending balance

Related party category	December 31, 2024	December 31, 2023
Subsidiary:		
Wuxi E&R Semiconductor Materials Technology Co., Ltd.	$ 23,209	$ 21,480
Superior Technology Semiconductor Co., Ltd.	272,829	117,050
Total	$ 296,038	$ 138,530

Part of the overdue accounts receivable is considered as financial arrangements. The loans to related parties for the years 2024 and 2023 are all unsecured loans.

(2) Interest revenue

Account Item	Related party category	2024	2023
Interest income	Subsidiary	$ 3,943	$ 836
Interest rate range		1.50%	1.50%

10. Borrowings from related parties: None.

11. Endorsement guarantee

The Company has provided the following details of the endorsement guarantee for the subsidiary's bank loan:

Unit: NTD Thousands

Related party category	December 31, 2024	December 31, 2023
TECH-WAVE Industrial Co., Ltd.	$ 20,000	$ 20,000

12. Others

(1) Revenue from various sources

Related party category	2024	2023
Subsidiary	$ 1,384	$ 1,293

Main income from procurement services and rental income, where the rental price is based on the contract agreement and rent is collected monthly.

(2) Various expenses

Related party category	2024	2023
Subsidiary	$ 9,472	$ 14,409

Mainly refers to costs to provide technical services, etc.

(3) The Company participated in related party proceeds from issuing shares and the situation of increased investment is as follows:

2024:

Related party category	Additions		Shareholding Ratio	
	Shares (in thousand)	Amount	Before capital increase	After capital increase
Subsidiary - EXCELLENT	101	$ 3,291	-	100%

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2023: None.

(4) Key management compensation information

Category/Name of Related Party	2024	2023
Salaries and other short-term employee benefits	$ 22,527	$ 24,612
Post-retirement benefits	826	814
Share-based payments	700	1,890
Total	$ 24,053	$ 27,316

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	$ 1,359	$ 22,573
Other financial assets – noncurrent	5,900	6,900
Property, plant and equipment (net)	186,635	196,652
Total	$ 193,894	$ 226,125

9. Significant Contingent Liabilities and Unrecognized Contractual Commitments

(1) As of December 31, 2024 and December 31, 2023, the Company issued guarantee notes for loan amounts of $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 December 31, 2023, the Company 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 Company applied to the Taipei Computer Association for equipment development projects on December 31, 2024 and December 31, 2023, with performance guarantees provided by the bank amounting to $995 thousand and $21,587 thousand, respectively.

(4) As of December 31, 2024 and December 31, 2023, the Company has opened the details of unused letters of credit as follows:

Unit: NTD thousand

Item	December 31, 2024		December 31, 2023	
Foreign Letter of Credit Amount	USD	199	USD	198
	JPY	6,812	JPY	19,032
	EUR	-	EUR	201

(5)The Company for the import of goods by bank acceptance of bills is as follows:

Unit: NTD thousands

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	December 31, 2024	December 31, 2023
Property, plant and equipment	$ 395,613	$ -

(7) The Company and Zen Voce Co., Ltd. signed a factory purchase agreement in May 2022, stipulating that after the completion of the new factory construction project of the Company's subsidiary - Superior Technology Semiconductor Co., Ltd. (renamed Superior Technology Semiconductor Co., Ltd. in 2024), a portion of the floors of its newly constructed factory would be sold. The Company received a performance guarantee deposit of 71,056 thousand (accounted under guarantee deposits received) in July 2022; however, after the completion of the aforementioned factory project, due to legal restrictions, it was unable to sell a portion of the 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

Due to the need for the Company to maintain sufficient capital to support the expansion and enhancement of property, plant and equipment. Therefore, the Company's capital management is aimed at ensuring the availability of necessary financial resources and operational plans to meet the operational funding, capital expenditures, and debt repayment needs for the upcoming 12 months.

(2) Financial instruments

1. Financial risks of financial instruments

Financial risk management policy

The Company'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 Company is committed to identifying, assessing, and avoiding market uncertainties to reduce the potential adverse impact of market fluctuations on the Company's financial performance.

The Company'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 Company 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 Company is exposed to exchange rate risks arising from sales, purchases, and borrowing transactions denominated in currencies other than the Company's functional currency, as well as from net investments in foreign operations. The Company uses New Taiwan Dollars as its functional currency. 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 Company uses foreign currency borrowings to mitigate exchange rate risk. The use of such derivative financial instruments can assist the Company in reducing, but not completely eliminating, the impact of foreign currency exchange rate fluctuations.

(B) Exchange rate risk and sensitivity analysis

	December 31, 2024					
				Sensitivity Analysis		
	Foreign Currency	Exchange Rate	Carrying Value (New Taiwan Dollars)	Range of Change	Impact on Profit and Loss	Impact on Equity
(Foreign currency: functional currency)						
Financial assets						
Monetary item						
USD: NTD	10,810	32.785	354,422	1% appreciation	3,544	-
JPY: NTD	157,489	0.2107	33,183	1% appreciation	332	-
CNY: NTD	84,795	4.5608	386,733	1% appreciation	3,867	-
Non-monetary item						
USD: NTD	5,572	32.785	182,662	1% appreciation	-	1,827
HKD: NTD	17,637	4.2235	74,490	1% appreciation	-	745
Financial liabilities						
Monetary item						
USD: NTD	834	32.785	27,353	1% appreciation	(274)	-
JPY: NTD	49,135	0.2107	10,353	1% appreciation	(104)	-

	December 31, 2023					
				Sensitivity Analysis		
	Foreign Currency	Exchange Rate	Carrying Value (New Taiwan Dollars)	Range of Change	Impact on Profit and Loss	Impact on Equity
(Foreign currency: functional currency)						
Financial assets						
Monetary item						
USD: NTD	18,300	30.705	561,915	1% appreciation	5,619	-
JPY: NTD	278,130	0.2176	60,521	1% appreciation	605	-

CNY: NTD	40,785	4.3352	176,813	1% appreciation	1,768	-
Non-monetary item						
USD: NTD	8,738	30.705	268,303	1% appreciation	-	2,683
HKD: NTD	23,620	3.9388	93,036	1% appreciation	-	930
Financial liabilities						
Monetary item						
USD: NTD	990	30.705	30,394	1% appreciation	(304)	-
JPY: NTD	90,790	0.2176	19,756	1% appreciation	(198)	-

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 December 31, 2023.

The Company monetary item has significant impacts on the total exchange gains and losses (including realized and unrealized) recognized in the fiscal years 2024 and 2023 due to exchange rate fluctuations, amounting to 48,110 thousand and (6,683) thousand, respectively.

B. Price risk

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

The Company primarily invests in domestic (un)listed stocks and fund products, and the prices of these financial instruments are subject to fluctuations due to 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 equity instruments 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, 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 Company reported the carrying amount of the financial assets and liabilities that exposed to interest rate risk as of the reporting date as follows:

	Carrying Amount	
Item	December 31, 2024	December 31, 2023
Fair value interest rate risk:		
Financial assets	$ 863,582	$ 982,270
Financial liabilities	(466,093)	(1,041,538)

Net amount	$	397,489	$	(59,268)
Cash flow interest rate risk:				
Financial assets	$	176,282	$	213,412
Financial liabilities		(73,390)		(187,095)
Net amount	$	102,892	$	26,317

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

The Company 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 Company's floating rate financial instruments 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 the market interest rate of 1% will result in an increase (decrease) in net profit of 1,029 thousand and 263 thousand for the years 2024 and 2023, respectively.

(2) Credit risk

Credit risk refers to the risk of financial loss to the Company due to a counterparty's breach of contractual obligations. The Company’ s credit risk 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 Company has established procedures for operational related 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 Company's internal credit rating, historical transaction records, and the current economic situation.

B. Financial credit risk

Cash in banks and other financial instruments' credit risk is measured and monitored by the Company financial department. As the Company counterparties and performance obligors 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 Company 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 December 31, 2023, the balance of the top ten customers' accounts receivable accounted for 53% and 61% of the Company'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(3) for details.

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

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

Balance sheet financial assets recognized in the Company and the collateral held as security, total agreement of net settlement, and other credit enhancements related to the maximum exposure to credit risk are 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 subject to 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 comprehensive income	51,270	-	-	-	-
Total	$ 395,333	$ -	$ -	$ -	$ -

(3) Liquidity risk

A. Overview:

The Company aims to manage liquidity risk by maintaining sufficient cash and cash equivalents, highly liquid securities, and adequate bank financing limits to ensure the Company has ample financial flexibility.

B. Financial liabilities maturity analysis:

	December 31, 2024						
Non-derivative financial liabilities	Within 6 months	7-12 months	1-2 years	2-5 years	More than 5 years	Contract Cash Flow	Carrying Amount
Accounts payable	$ 185,149	$ -	$ -	$ -	$ -	$ 185,149	$ 185,149
Other payables	91,630	-	-	-	-	91,630	91,630
Long-term borrowings (including one due within the year)	8,459	8,527	17,265	16,437	22,702	73,390	73,390
Bonds payable	-	-	-	388,700	-	388,700	373,695
Lease liabilities	5,048	3,082	6,171	17,787	82,882	114,970	92,398
Total	$ 290,286	$ 11,609	$ 23,436	$ 422,924	$ 105,584	$ 853,839	$ 816,262

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	$ 8,130	$ 23,958	$ 28,345	$ 29,868	$ 18,791	$ 5,878	$ 114,970

	December 31, 2023						
Non-derivative financial liabilities	Within 6 months	7-12 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
Accounts payable	162,353	-	-	-	-	162,353	162,353
Other payables	95,737	4,500	-	-	-	100,237	100,237
Long-term borrowings (including one due within the year)	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	3,589	3,523	6,239	17,753	88,796	119,900	95,243
Total	$ 337,178	$ 46,696	$ 23,279	$ 1,049,313	$ 113,119	$ 1,569,585	$ 1,491,223
Derivative financial liabilities							
Financial liabilities at fair value through profit or loss (including	$ -	$ -	$ -	$ 9,700	$ -	$ 9,700	$ 9,700

current and noncurrent)							
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	$ 7,112	$ 23,992	$ 28,649	$ 29,867	$ 23,422	$ 6,858	$ 119,900

The Company 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
<u>Financial assets</u>		
Financial assets measured at amortized cost		
Cash and cash equivalents	$ 666,845	$ 750,696
Notes and accounts receivable	496,776	390,222
Other receivables	309,555	149,162
Other financial assets － current	101,359	322,573
Other financial assets － noncurrent	5,900	6,900
Refundable deposit	2,687	1,512
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
<u>Financial liabilities</u>		
Financial liabilities measured at amortized cost		
Short-term loans	-	97,000
Notes and accounts payable	185,149	162,353
Other payables	91,630	100,237
Long-term loans (including current portion)	73,390	90,095
Bonds payable (including current portion)	373,695	946,295
Lease liabilities (including current portion)	92,398	95,243
Deposits received	71,056	71,056
Financial liabilities at fair value through profit or loss - noncurrent	-	9,700

(3) Fair value information:

1. The information of the fair value for the financial assets and financial liabilities that the Company does not measure 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 Company investments in listed stocks, beneficiary certificates, investments in Taiwan central government bonds belonging to popular securities, and the fair value of derivatives with active market quotations 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 Company'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 Company's investments in certain derivatives and non-active market equity instruments all belong to it.

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

The Company'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 the carrying amounts of other financial liabilities are 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 Company' s financial instruments measured at fair value are based on a recurring basis according to fair value. The Company' s fair value level information is shown in the table below:

Item	December 31, 2024 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				
Domestic unlisted (OTC) stocks	-	-	84,619	84,619
Total	$ 232,546	$ 583	$ 85,241	$ 318,370

Item	December 31, 2023 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				
Convertible bond redemption rights and 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 Company holds financial instruments that have an active market, and their fair value is presented 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 NTD one hundred.

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 fair value valuation model management policy and related control procedures of the Company, management believes that it is fair to express the fair value of financial and non-financial instruments in the balance sheet, 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:

Item	Financial assets at fair value through other comprehensive income - equity instruments 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 Company holds unlisted (OTC) company stocks that do not have an active market, which 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 Company utilizes independent source data in the valuation process for fair value classified as level 3 to align valuation results with market conditions, ensuring that the data sources are independent, reliable, consistent with other resources, and represent executable exercise price. The Company regularly calibrates valuation models, conducts back-testing, updates 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 provided to others: 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.

(2) Information on investees (before consolidated elimination): Table 6.

(3) Information on investments in Mainland China (before consolidated elimination): Table 7.

(4) Information on major shareholders (including name, share held and shareholding ratio of the shareholders with shareholding above 5%): Table 8.

Table 1

E&R ENGINEERING CORPORATION

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	Ending balance	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 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 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 considers it more important to fully support the operations of its subsidiaries to achieve the Company's business objectives in the mainland market, and therefore defers collection. The Company has transferred the overdue accounts receivable from Wuxi E&R to other receivables, amounting to $23,209 thousand.

Note 5. The Company handles the purchase of Wuxi E&R raw materials transactions on a collection and payment basis, without recognizing the purchases and sales.

Table 2

E&R ENGINEERING CORPORATION

Endorsements/Guarantees Provided for Other Parties

December 31, 2024

Unit: New Taiwan Dollars 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

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 the technical equity stake of that company, the Company ultimately holds only 9.5% of the shares, and the Company does not serve as a director. After assessed, the Company does not have significant influence.

Table 4

E&R ENGINEERING CORPORATION

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, plant and equipment	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~ 20245	619,900	Payment according to contract terms	Verizon Construction, AIPTEK International Inc., etc.	None	-	-	-	-	Comparison and negotiation of the price	Production use	None
Superior Technology Semiconductor Co., Ltd.	Nantong 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

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

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	Distribution of Dividends by 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)	-	-	-

Table 7

E&R ENGINEERING CORPORATION

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 in Mainland China as of End of the Period	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. The equity resulted in the Company increasing its indirect shareholding in E&R(Dongguan) Semiconductor Materials Co., Ltd. from 81% to 90%, therefore, the Company's investment amount in Mainland China is calculated based on the shareholding ratio. The amount is HKD 25,443thousand. 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 reinvested in Wuxi E&R Semiconductor Materials Technology Co., Ltd., ENR Applied Packing Material Corporation invested in Wuxi E&R Semiconductor Materials 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 5,000 thousand.)

(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:

(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 accountant of the parent company in Taiwan
3. Others

(Note 6) Suzhou E&R completed its liquidation in April 2024. The Company applied to the Ministry of Economic Affairs Investment Review Committee 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 to December 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: The amount of purchases and sales did not reach NTD one hundred million.

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

Table 8

E&R ENGINEERING CORPORATION

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. There may be discrepancies due to different calculation bases.

Segment Information

The Company has disclosed operational Segment information in the consolidated financial statements, and therefore will no longer disclose it in the Parent Company Only Financial Statement.

Contents of Significant Accounts Detailed Table

E&R ENGINEERING CORPORATION

Cash and cash equivalents details

December 31, 2024

Unit: NTD and Foreign Currency Thousand

Item	Summary	Amount	Note
Cash on hand	Cash equivalents	$ 1,037	
Cash Subtotal		$ 1,037	
Cash in banks	Checking account	$ 10	
	Demand deposits	90,087	
	Foreign currency deposits	84,546	USD 1,409
			RMB 112
			EUR 136
			JPY 157,466
cash equivalents	Time deposits with maturities of less than three months	491,165	NTD 415,000
			RMB 16,700
Cash in banks subtotal		$ 665,808	
Total		$ 666,845	

Note: The exchange rate of USD on December 31, 2024 is 1:32.785

The exchange rate of CNY on December 31, 2024 is 1:4.5608

The exchange rate of EUR on December 31, 2024 is 1:34.3232

The exchange rate of JPY on December 31, 2024 is 1:0.2107

E&R ENGINEERING CORPORATION
Financial assets at fair value through profit or loss － current details
December 31, 2024

Unit: Thousand Shares; NTD Thousand

Financial instruments name	Summary	Unit number	Acquisition cost	Fair Value Unit Price	Fair Value Total Amount	Note
Stock:						
Nan Pao Resins Chemical Co., Ltd.	Stock	220	$ 65,662	314	$ 69,080	
Major Power Technology Co., Ltd.	Stock	30	4,942	155.5	4,665	
Subtotal			70,604		73,745	
Fund:						
Allianz Global Investors B	Mutual fund	620	6,030	7.0771	4,386	
TACB currency market	Mutual fund	12,862	135,000	10.5565	135,780	
Cathay US Premium Bond Fund B	Mutual fund	298	2,964	9.5817	2,855	
Cathay US Premium Bond Fund B - USD	Mutual fund	49	15,939	9.7727	15,780	
Subtotal			159,933		158,801	
Convertible bond redemption rights and put options	-	-	-	-	622	
Foreign exchange Swaps	Foreign Exchange	-	-	-	583	
Total			$ 230,537		$ 233,751	

E&R ENGINEERING CORPORATION
Accounts receivable details
December 31, 2024

TD Thousand; Foreign Currency Thousand

Limit on loans granted to a single entity	Summary	Amount	Note	
A Company	Accounts Receivable	$ 66,628	USD	25
			NTD	65,802
B Company	Accounts Receivable	53,826	USD	1,642
C Company	Accounts Receivable	37,878		
D Company	Accounts Receivable	36,606		
E Company	Accounts Receivable	35,067	USD	892
			NTD	5,820
F Company	Accounts Receivable	19,838	USD	605
Other	(5% or below total)	140,179		
Subtotal		$ 390,022		
Less: loss allowance		(2,602)		
Accounts receivable - net amount from non-related parties		$ 387,420		
E&R(Dongguan) Company	Accounts Receivable	$ 30,625	USD	934
Wuxi E&R Company	Accounts Receivable	45,677	USD	1,393
Superior Technology.	Accounts Receivable	32,985	RMB	7,061
			USD	24
Chen Tai Trading Company	Accounts Receivable	60	RMB	13
TECH-WAVE Company	Accounts Receivable	9		
Subtotal		$ 109,356		
Less: loss allowance - related party		-		
Accounts receivable due from related parties, net		$ 109,356		
Accounts receivable, net		$ 496,776		

Note: The exchange rate of US dollars on December 31, 2024 is 1:32.785
The exchange rate of CNY at December 31, 2024 is 4.5608

E&R ENGINEERING CORPORATION
Other receivables details
December 31, 2024

Unit: NTD Thousand; Foreign Currency Thousand

Item	Summary	Amount		Note	
Tax refund receivable	Sales tax refundable	$	4,395		
Interest receivable	Interest receivable on time deposits		471		
Other receivables	Other receivables		83		
Subtotal		$	4,949		
Less: loss allowance			-		
Other receivables subtotal		$	4,949		
Overdue accounts receivable	Overdue accounts receivable	$	29,231	RMB	316
				USD	848
Receivables from financial loans	Financial loans		266,807	RMB	58,500
Interest receivable on financial arrangements	Interest receivable		2,391	RMB	524
Other receivables	Other receivables		6,177		
Other receivables subtotal of related parties		$	304,606		
Total		$	309,555		

Note: The exchange rate of US dollars on December 31, 2024 is 1:32.785
The exchange rate of CNY at December 31, 2024 is 1:4.5608

E&R ENGINEERING CORPORATION
Inventory details
December 31, 2024

Unit: NTD Thousands

Item	Summary	Amount		Note
		Cost	Market Price	
Raw materials	Components	$ 475,686	$ 499,527	
Work in progress	Work in progress	205,916	241,111	
Finished goods	Finished machinery	100,025	100,025	
Total		$ 781,627	$ 840,663	

E&R ENGINEERING CORPORATION
Prepayments Details
December 31, 2024

Unit: NTD Thousands

Item	Summary	Amount	Note
Prepayments	Prepaid insurance premiums and others	$ 6,151	
Prepayments to suppliers	Prepayments to suppliers	28,640	
Office supplies	Office supplies	5,104	
Prepayments for others	Temporary debits etc.	1,346	
Total		$ 41,241	

E&R ENGINEERING CORPORATION
Other financial assets － current details
December 31, 2024

Unit: NTD Thousands

Item	Summary	Amount	Note
Restricted assets	Specialist guarantee	$ 199	
Restricted assets	Guarantee deposits	450	
Restricted assets	Customs guarantee deposit	710	
Time deposits	Time deposits with maturities of more than three months	100,000	
Total		$ 101,359	

E&R ENGINEERING CORPORATION
Financial assets at fair value through other comprehensive income － noncurrent details of changes
January 1 to December 31, 2024

Unit: Thousand Shares; NTD Thousand

	Opening balance		Net increase		Net decrease		Ending balance		Provision of Collateral or	
Name	Number of Shares	Fair Value	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Fair Value	Pledged Assets	Note
Preferred Stock - Fubon Financial Preferred B Share	144	$ 8,626	-	$ 180	144	$ 8,806	-	$ -		
Preferred stock - Fubon Financial Holding special	100	6,110	45	2,861	145	8,971	-	-		
Preferred Stock - Fubon Preferred C Share	179	9,847	-	909	179	10,756	-	-		
Preferred Stock - Taishin Preferred E Share	10	511	-	-	10	511	-	-		
Shyawei Optronics Corporation	1,640	26,176	-	7,899	-	-	1,640	34,075	None	
King Tech Vietnam Co., LTD98	-	-	412	10,676	-	-	412	10,676	None	
Uniconn Interconnections Technology Co., Ltd.98	-	-	550	30,250	-	-	550	30,250	None	
Lasertec Taiwan Inc.98	-	-	333	10,000	-	382	333	9,618	None	(Note)
Total		$ 51,270		$ 62,775		$ 29,426		$ 84,619		

Explanation: 1. This period increased by 62,775 thousand, of which 43,313 thousand is from additional purchases this period, 10,000 thousand is from current prepayments for investments transferred in, 7,236 thousand is from unrealized gains on financial assets this period, and an additional 2,226 thousand. is the profit or loss from the disposal of financial assets for the period reclassified to retained earnings.
2. This period decreased by 29,426 thousand, of which 398 thousand is the unrealized loss on financial assets for this period, and another 29,028 thousand is the cost of financial assets disposed of during this period.

Note: The Company has an investment in Lasertec Taiwan Inc. with a shareholding ratio exceeding 20%, however, considering that the company acquired shares through technical equity, the Company ultimately holds a shareholding ratio of only 9.5%, and the Company does not hold a directorship or key management, after evaluation, the Company has no significant influence.

E&R ENGINEERING CORPORATION

Long-term equity investments using the equity method details of changes

January 1 to December 31, 2024

Unit: Thousand Shares; NTD Thousand

Name	Opening balance		Net increase		Net decrease		Ending balance			Market price or net worth of equity		Provision of collateral or pledge situation
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Shareholding Ratio	Amount	Unit price	Total Price	
TECH-WAVE Industrial Co., Ltd.	2,500	$ 23,107	-	$ 152	-	$ 6,549	2,500	51.43%	$ 16,710	6.68	$ 16,710	None
E&R Semiconductor Materials Co., Ltd.	15,000	93,036	-	4,669	-	23,215	15,000	100.00%	74,490	5.00	75,071	None
ENRICHMENT TECH. CORPORATION	8,290	55,242	-	7,478	1,000	12,805	7,290	100.00%	49,915	6.90	50,279	None
EXCELLENT INTERNATIONAL Holdings Limited	9,709	213,061	-	11,735	-	95,431	9,709	100.00%	129,365	15.28	148,401	None
EXCELLENT TECHKNOWLEDGIES Holdings Pte Ltd.	-	-	101	3,382	-	-	101	100.00%	3,382	33	3,382	None
Total		$ 384,446		$ 27,416		$ 138,000			$ 273,862		$ 293,843	

Explanation: 1. The current period increased by 27,416 thousand with the details as follows:

Purchase	$ 3,291
Investment income (loss) recognized using the equity method	2,368
Realized gross profit from sales	1,320
Gain on disposal of assets	132
Other comprehensive income	20,305
Total	$27,416

2. The details of the current period's decrease of 138,000 thousand are as follows:

Equity method recognition of investment losses	$ 107,426
Actual acquisition equity price with the difference between book value	12,805
Unrealized gross profit on sales	17,769
Total	$ 138,000

E&R ENGINEERING CORPORATION
Refundable deposit details
December 31, 2024

Unit: NTD Thousands

Item	Summary	Amount	Note
Refundable deposit	Refundable deposit	$ 2,687	

E&R ENGINEERING CORPORATION
Contract liabilities - current details
December 31, 2024

Unit: NTD Thousands

Limit on loans granted to a single entity	Summary	Amount	Note
A Company	Advance receipts	$ 15,874	
B Company	Advance receipts	4,620	
Other	(5% or below total)	2,442	
Total		$ 22,936	

E&R ENGINEERING CORPORATION
Accounts payable details
December 31, 2024

Unit: NTD Thousand; Foreign Currency Thousand

Limit on loans granted to a single entity	Summary	Amount	Note
A Company	Accounts payable	$ 49,350	
B Company	Accounts payable	10,179	
Other	(5% or below total)	125,620	
Total		$ 185,149	

E&R ENGINEERING CORPORATION
Bonds payable details
December 31, 2024

Unit: NTD Thousands

Name	Trustee	Issue date	Interest payment date	Interest rate	Total issuance amount	Converted (redeemed) amount	Ending Balance	Discount on bonds payable	Book value	Repayment method	Collateral	Note
Domestic third unsecured convertible bonds	Taichung Bank Securities	2022.6.22	-	Coupon rate 0%	$ 1,000,000	$ 611,300	$ 388,700	$ 15,005	$ 373,695	Note	None	
Total					$ 1,000,000	$ 611,300	$ 388,700	$ 15,005	$ 373,695			
Less: current portion due within one year									-			
Total									$ 373,695			

Note: For detailed repayment methods, please refer to the explanation in the financial report Note 6(16) regarding bonds payable.

E&R ENGINEERING CORPORATION
Long-term borrowings details
December 31, 2024

Unit: NTD Thousands

Creditor	Summary	Loan balance		Contract term	Collateral or Guarantee	Note
Cooperative Treasury	Mortgage Loans	$	30,582	20211214-20411214	Property, plant and equipment	
Cooperative Treasury	Mortgage Loans		19,219	20210114-20290114	Property, plant and equipment	
Cooperative Treasury	Mortgage Loans		14,589	20220114-20270114	Property, plant and equipment	
South China Bank	Mortgage Loans		9,000	20220322-20270322	Cash and cash equivalents	
Total		$	73,390			
Less: long-term liabilities due within one year			(16,986)			
Long-term borrowings		$	56,404			
Interest rate range			2.125%-2.36%			

E&R ENGINEERING CORPORATION
Operating revenue details table
January 1 to December 31, 2024

Unit: NTD Thousands

Item	Quantity	Amount	Note
BLAZON	22	$ 307,547	
Laser marker	22	272,461	
Laser Marker LOT	2	56,520	
Laser Cutting Machine	4	49,537	
PLASMAX	23	151,384	
PHE-500D	1	62,252	
Others		430,230	
Subtotal		$ 1,329,931	
Less: Sales returns		(97)	
Sales discounts and allowances		(746)	
Operating revenue net amount		$ 1,329,088	

E&R ENGINEERING CORPORATION
Operating costs details
January 1 to December 31, 2024

Unit: NTD Thousands

Item	2024
Beginning balance	$ 527,005
Add: Raw materials for the period	586,971
Transfer from expenses	29,324
Transfer from work in progress	46,242
Sales returns	36
Transfer from property, plant and equipment	3,976
Other	6,453
Less: Ending inventory	(518,668)
Sales	(82,459)
Transfer to expenses	(45,614)
Report disposal	(6,425)
Transfer to property, plant and equipment	(9,616)
Raw materials	$ 537,225
Direct labor	15,386
Manufacturing expense	42,392
Manufacturing cost	$ 595,003
Add: Beginning balance of work in progress	271,089
Finished goods transferred in	628,256
Less: Ending balance of work in progress	(233,561)
Production requisition of raw materials	(46,242)
Use transfer finished goods	(62,279)
Other	(1)
Finished goods cost	$ 1,152,265
Add: Beginning balance of finished goods	206,784
Outsourced finished goods	1,274
Work in progress transfer in	62,279
Sales returns	366
Property, plant and equipment transfer in	1,738
Other	98
Less: Ending balance finished goods	(117,406)
Report disposal	(19,822)
Transfer to expenses	(3,533)
Transfer to work in progress	(628,256)
Transfer to property, plant and equipment	(56,184)
Transfer to processing costs	(4,441)
Cost of goods sold finished goods	$ 595,162
Cost adjustments	

Inventories impairment and obsolescence losses		44,444
Warranty costs		35,905
Other additions and subtractions - other		(7,769)
Other adjustments - sales returns		(402)
Cost of Sales	$	667,340
Cost of goods sold raw materials		82,459
Maintenance cost		7,352
Cost of sales	$	757,151

E&R ENGINEERING CORPORATION
Manufacturing Cost Statement
January 1 to December 31, 2024

Unit: NTD Thousands

Item	Amount
Indirect labor	$ 4,102
Depreciation	6,436
Water and electricity expenses	11,494
Packaging cost	3,283
Insurance fee	4,677
Processing fee	3,180
Other expenses (Note)	9,220
Total	$ 42,392

Note: The balances of each item do not exceed five percent of the amount of this account.

E&R ENGINEERING CORPORATION

Selling expenses details

January 1 to December 31, 2024

Unit: NTD Thousands

Item		Amount
Wages and salaries expense	$	82,331
Travel expenses		24,223
Entertainment expenses		9,468
Commission Expense		12,249
Other expenses (note)		53,795
Total	$	182,066

Note: The balances of each item do not exceed five percent of the amount of this account.

E&R ENGINEERING CORPORATION

Administrative expenses details

January 1 to December 31, 2024

Unit: NTD Thousands

Item	Amount
Wages and salaries expenses	$ 57,476
Insurance expenses	7,947
Depreciation	19,488
International expenses	8,886
Labor expenses	7,314
Other expenses (note)	38,588
Total	$ 139,699

Note: The balances of each item do not exceed five percent of the amount of this account.

E&R ENGINEERING CORPORATION
Research and development expense details
January 1 to December 31, 2024

Unit: NTD Thousands

Item	Amount
Wages and salaries expenses	$ 128,831
Insurance expenses	12,636
Depreciation	72,872
Other expenses (note)	48,131
Less: grant income	(6,780)
Total	$ 255,690

Note: The balances of each item do not exceed five percent of the amount of this account.