

**ZHEN DING TECHNOLOGY HOLDING
LIMITED AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2024 AND 2023**

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Zhen Ding Technology Holding Limited

Opinion

We have audited the accompanying consolidated balance sheets of Zhen Ding Technology Holding Limited and subsidiaries (the “Group”) as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these

requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2024 consolidated financial statements are stated as follows:

Cut-off of hub warehouse sales revenue

Description

Refer to Note 4(29) for accounting policies on revenue recognition.

The Group recognises revenue when the goods are directly shipped from factories and when customers accept the goods (the transfer of control) if picked up from hub warehouses. For pick-ups from hub warehouses, the Group recognises sales revenue based on movements of inventory records contained in the statements or other information provided by the warehouse custodians. The hub warehouses are located around the world with numerous warehouse custodians, the frequency and contents of statements provided by custodians are different, and the process of revenue recognition may involve manual procedures. These factors may potentially result in inaccurate timing of sales revenue recognition.

As there are numerous daily sales transactions from hub warehouses and the transaction amounts prior to and after the balance sheet date are significant to the financial statements, we considered the cut-off of hub warehouse sales revenue a key audit matter.

How our audit addressed the matter

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

- A. Assessed and tested internal controls over regular record verification between the Group and customers.
- B. Assessed and checked the appropriateness of cut-off of sales revenue prior to or after the balance sheet date, and verified the statements provided by the hub warehouse custodians.
- C. Performed confirmation of the storage quantities or observed physical counts in warehouse, compared against inventory records, and determined whether differences, if any, are properly adjusted.

Estimation of allowance for inventory valuation losses

Description

Refer to Note 4(14) for accounting policies on inventory valuation, Note 5 for the uncertainty of accounting estimates and assumptions applied on inventory valuation, and Note 6(6) for details of inventory. As of December 31, 2024, the Group's inventory cost and allowance for valuation losses were NT\$18,974,828 thousand and NT\$985,243 thousand, respectively.

The Group is primarily engaged in the manufacture and sales of printed circuit board. Due to rapid technological innovations, short lifespan of electronic products and fluctuations in market prices, there is a higher risk of inventory losses due to market value decline or obsolescence. The Group measures inventories at the lower of cost and net realisable value and recognises the allowance for inventory valuation losses based on the inventories over normal age and those individually identified as obsolete or damaged.

As the amounts of inventories are material, the types of inventories are numerous, and the estimation of net realisable value for individually obsolete or damaged inventories is subject to significant judgement, we considered the estimation of allowance for inventory valuation losses a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in relation to the estimation of allowance for inventory valuation losses:

- A. Assessed the reasonableness of accounting policy on allowance for inventory valuation losses and checked whether it has been consistently applied.
- B. Checked whether the logic in calculating inventory aging report was appropriate and confirmed whether the inventory over normal age has been included in the aging report.
- C. Assessed the reasonableness of individually obsolete or damaged inventory identified by the Group against related supporting documents, reviewed scrap inventory before and after the balance sheet date, and verified the information obtained from physical count.
- D. For the net realisable value of inventories over normal age and those individually identified as obsolete and damaged inventory, discussed with the Group, obtained supporting documents and reviewed calculation of inventory loss.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless

management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

- A. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of

accounting estimates and related disclosures made by management.

- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Hsu, Sheng-Chung Hsu, Chieh-Ju
For and on Behalf of PricewaterhouseCoopers, Taiwan
March 11, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 79,502,013	30	\$ 61,420,770	25
1136	Current financial assets at amortised cost	6(3)	327,850	-	4,549,269	2
1170	Accounts receivable, net	6(4)	26,920,233	10	25,803,347	11
1180	Accounts receivable due from related parties, net	6(4) and 7	3,262,888	1	3,425,531	2
1200	Other receivables	6(5)	775,487	-	274,414	-
130X	Inventories	6(6)	17,989,585	7	15,507,549	6
1410	Prepayments	6(5)	3,725,689	2	3,048,205	1
1470	Other current assets	8	4,879	-	16,588	-
11XX	Total current assets		132,508,624	50	114,045,673	47
Non-current assets						
1510	Non-current financial assets at fair value through profit or loss	6(2)	1,753,687	1	1,752,487	1
1517	Non-current financial assets at fair value through other comprehensive income	6(7)	1,768,742	1	1,714,386	1
1550	Investments accounted for using equity method		22,444	-	20,767	-
1600	Property, plant and equipment	6(8)	110,172,595	41	105,713,497	43
1755	Right-of-use assets	6(9)	9,229,121	3	9,061,140	4
1760	Investment property, net	6(10)	3,289,200	1	4,251,347	2
1780	Intangible assets	6(11)	2,096,679	1	2,313,206	1
1840	Deferred income tax assets	6(30)	3,105,262	1	2,827,971	1
1990	Other non-current assets	6(12) and 8	2,046,938	1	1,075,191	-
15XX	Total non-current assets		133,484,668	50	128,729,992	53
1XXX	Total assets		\$ 265,993,292	100	\$ 242,775,665	100

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ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(13)	\$ 21,706,441	8	\$ 33,853,082	14
2170	Accounts payable		20,654,870	8	18,504,901	8
2180	Accounts payable to related parties	7	1,061,617	-	1,062,035	-
2200	Other payables	6(14)	19,141,301	7	18,286,472	8
2230	Current income tax liabilities		1,193,279	1	986,692	-
2280	Current lease liabilities		246,902	-	221,325	-
2320	Long-term liabilities, current portion	6(16)	1,333,125	1	1,250,317	1
2399	Other current liabilities		3,866,715	1	4,774,518	2
21XX	Total current liabilities		69,204,250	26	78,939,342	33
Non-current liabilities						
2530	Bonds payable	6(15)	11,601,604	4	-	-
2540	Long-term borrowings	6(16)	22,410,057	9	18,026,287	8
2570	Deferred income tax liabilities	6(30)	2,896,003	1	3,030,821	1
2580	Non-current lease liabilities		872,602	-	992,331	-
2600	Other non-current liabilities		6,985,166	3	7,461,036	3
25XX	Total non-current liabilities		44,765,432	17	29,510,475	12
2XXX	Total liabilities		113,969,682	43	108,449,817	45
Equity						
Equity attributable to owners of parent						
	Share capital	6(19)				
3110	Ordinary share		9,566,525	4	9,470,492	4
	Capital surplus	6(20)				
3200	Capital surplus		40,540,212	15	38,555,914	16
	Retained earnings	6(21)				
3310	Legal reserve		9,036,250	3	8,417,315	3
3320	Special reserve		5,120,220	2	2,882,437	1
3350	Unappropriated retained earnings		45,001,928	17	41,749,184	17
	Other equity interest	6(22)				
3400	Other equity interest		(189,408)	-	(5,120,220)	(2)
3500	Treasury shares	6(19)	(257,489)	-	(257,489)	-
31XX	Equity attributable to owners of parent		108,818,238	41	95,697,633	39
36XX	Non-controlling interest	6(32)	43,205,372	16	38,628,215	16
3XXX	Total equity		152,023,610	57	134,325,848	55
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant disaster loss	10				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		\$ 265,993,292	100	\$ 242,775,665	100

The accompanying notes are an integral part of these consolidated financial statements.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items		Notes	Year ended December 31			
			2024		2023	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(23), 7 and 14	\$ 171,663,845	100	\$ 151,398,038	100
5000	Operating costs	6(6) and 7	(139,203,083)	(81)	(123,938,549)	(82)
5950	Gross profit from operations		32,460,762	19	27,459,489	18
	Operating expenses	6(24)				
6100	Selling expenses		(2,154,908)	(1)	(1,899,653)	(1)
6200	Administrative expenses		(7,025,113)	(4)	(6,724,668)	(5)
6300	Research and development expenses		(11,715,283)	(7)	(9,665,484)	(6)
6450	Impairment gain (expected credit loss) in accordance with IFRS 9	12	20,178	-	(10,000)	-
6000	Total operating expenses		(20,875,126)	(12)	(18,299,805)	(12)
6900	Net operating income		11,585,636	7	9,159,684	6
	Non-operating income and expenses					
7100	Interest income	6(26)	2,897,955	2	2,500,594	2
7010	Other income	6(27)	1,109,460	1	759,948	-
7020	Other gains and losses	6(28)	1,781,935	1	(403,710)	-
7050	Finance costs	6(29)	(2,333,091)	(2)	(1,952,504)	(1)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method		3,080	-	(16,094)	-
7000	Total non-operating income and expenses		3,459,339	2	888,234	1
7900	Profit before income tax		15,044,975	9	10,047,918	7
7950	Income tax expense	6(30)	(1,948,497)	(1)	(616,065)	(1)
8200	Profit		<u>\$ 13,096,478</u>	<u>8</u>	<u>\$ 9,431,853</u>	<u>6</u>
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Actuarial gains on defined benefit plans	6(17)	\$ 18,380	-	\$ 771	-
8316	Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(7)(22)	(174,000)	-	787,894	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(30)	34,818	-	(139,739)	-
8310	Other comprehensive income that will not be reclassified to profit or loss		(120,802)	-	648,926	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation of foreign financial statements	6(22)	7,108,329	4	(1,901,942)	(1)
8300	Other comprehensive income (loss)		<u>\$ 6,987,527</u>	<u>4</u>	<u>(\$ 1,253,016)</u>	<u>(1)</u>
8500	Total comprehensive income		<u>\$ 20,084,005</u>	<u>12</u>	<u>\$ 8,178,837</u>	<u>5</u>
	Profit attributable to:					
8610	Owners of the parent		\$ 9,179,689	6	\$ 6,188,729	4
8620	Non-controlling interests		3,916,789	2	3,243,124	2
			<u>\$ 13,096,478</u>	<u>8</u>	<u>\$ 9,431,853</u>	<u>6</u>
	Comprehensive income attributable to:					
8710	Owners of the parent		\$ 14,141,861	9	\$ 3,951,563	2
8720	Non-controlling interests		5,942,144	3	4,227,274	3
			<u>\$ 20,084,005</u>	<u>12</u>	<u>\$ 8,178,837</u>	<u>5</u>
	Earnings per share (in dollars)					
9750	Basic earnings per share	6(31)	\$ 9.67		\$ 6.55	
9850	Diluted earnings per share	6(31)	\$ 9.24		\$ 6.34	

The accompanying notes are an integral part of these consolidated financial statements.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent												
		Retained Earnings				Other Equity Interest						
	Notes	Ordinary shares	Capital surplus- additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total	Non-controlling interest	Total equity
Year ended December 31, 2023												
Balance at January 1, 2023		\$ 9,470,492	\$ 38,021,187	\$ 6,995,473	\$ 4,848,301	\$ 40,698,111	(\$ 2,899,992)	\$ 17,555	(\$ 257,489)	\$ 96,893,638	\$ 35,972,053	\$ 132,865,691
Profit for the year		-	-	-	-	6,188,729	-	-	-	6,188,729	3,243,124	9,431,853
Other comprehensive income (loss) for the year	6(22)	-	-	-	-	617	(2,709,461)	471,678	-	(2,237,166)	984,150	(1,253,016)
Total comprehensive income (loss)		-	-	-	-	6,189,346	(2,709,461)	471,678	-	3,951,563	4,227,274	8,178,837
Appropriations of 2022 earnings:	6(21)											
Legal reserve		-	-	1,421,842	-	(1,421,842)	-	-	-	-	-	-
Special reserve		-	-	-	(1,965,864)	1,965,864	-	-	-	-	-	-
Cash dividends		-	-	-	-	(5,682,295)	-	-	-	(5,682,295)	-	(5,682,295)
Compensation cost of employee restricted stock	6(20)	-	(6,652)	-	-	-	-	-	-	(6,652)	(4,807)	(11,459)
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	6(20)	-	12,560	-	-	-	-	-	-	12,560	-	12,560
Difference between consideration and carrying amount of subsidiaries disposed	6(32)	-	5,913	-	-	-	-	-	-	5,913	(3,357)	2,556
Recognition of changes in ownership interests in subsidiaries	6(32)	-	(226,987)	-	-	-	-	-	-	(226,987)	(642,113)	(869,100)
Changes in non-controlling interests - acquisition of shares of the subsidiary	6(32)	-	749,893	-	-	-	-	-	-	749,893	1,031,776	1,781,669
Changes in non-controlling interests - distribution of retained earnings by subsidiaries		-	-	-	-	-	-	-	-	-	(1,952,611)	(1,952,611)
Balance at December 31, 2023		\$ 9,470,492	\$ 38,555,914	\$ 8,417,315	\$ 2,882,437	\$ 41,749,184	(\$ 5,609,453)	\$ 489,233	(\$ 257,489)	\$ 95,697,633	\$ 38,628,215	\$ 134,325,848
Year ended December 31, 2024												
Balance at January 1, 2024		\$ 9,470,492	\$ 38,555,914	\$ 8,417,315	\$ 2,882,437	\$ 41,749,184	(\$ 5,609,453)	\$ 489,233	(\$ 257,489)	\$ 95,697,633	\$ 38,628,215	\$ 134,325,848
Profit for the year		-	-	-	-	9,179,689	-	-	-	9,179,689	3,916,789	13,096,478
Other comprehensive income (loss) for the year	6(22)	-	-	-	-	14,704	5,024,679	(77,211)	-	4,962,172	2,025,355	6,987,527
Total comprehensive income (loss)		-	-	-	-	9,194,393	5,024,679	(77,211)	-	14,141,861	5,942,144	20,084,005
Appropriations of 2023 earnings:	6(21)											
Legal reserve		-	-	618,935	-	(618,935)	-	-	-	-	-	-
Special reserve		-	-	-	2,237,783	(2,237,783)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(3,101,587)	-	-	-	(3,101,587)	-	(3,101,587)
Issuance of overseas convertible bonds recognised as warrants	6(15)	-	1,015,416	-	-	-	-	-	-	1,015,416	-	1,015,416
Conversion of convertible bonds	6(15)	96,033	866,806	-	-	-	-	-	-	962,839	-	962,839
Compensation cost of employee restricted stock	6(20)	-	95,220	-	-	-	-	-	-	95,220	36,868	132,088
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	6(20)	-	6,856	-	-	-	-	-	-	6,856	-	6,856
Changes in non-controlling interests - acquisition of shares of the subsidiary		-	-	-	-	-	-	-	-	-	91,885	91,885
Changes in non-controlling interests - distribution of retained earnings by subsidiaries		-	-	-	-	-	-	-	-	-	(1,493,740)	(1,493,740)
Disposal of equity instruments at fair value through other comprehensive income	6(7)	-	-	-	-	16,656	-	(16,656)	-	-	-	-
Balance at December 31, 2024		\$ 9,566,525	\$ 40,540,212	\$ 9,036,250	\$ 5,120,220	\$ 45,001,928	(\$ 584,774)	\$ 395,366	(\$ 257,489)	\$ 108,818,238	\$ 43,205,372	\$ 152,023,610

The accompanying notes are an integral part of these consolidated financial statements.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 15,044,975	\$ 10,047,918
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(24)	17,195,439	15,829,181
Amortisation	6(24)	553,183	494,145
Loss (gain) on financial assets or liabilities at fair value through profit or loss, net	6(2)	170,275 (	30,261)
Impairment losses	6(8)	1,213	142,303
(Impairment gain) expected credit loss	12	(20,178)	10,000
Gain on disposal of property, plant and equipment	6(28)	(35,760) (	44,823)
Loss on disposal of right-of-use assets	6(9)	-	320
Interest income	6(26)	(2,897,955) (	2,500,594)
Dividend income		(52,524) (	9,524)
Interest expense	6(29)	2,333,091	1,952,504
Share of (profit) loss of associates and joint ventures accounted for using equity method		(3,080)	16,094
Loss on redemption of convertible bonds	6(28)	-	438,175
Share-based payment (reversal)	6(18)	132,088 (	11,459)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(240,851) (	44,432)
Accounts receivable		525,021	1,164,163
Accounts receivable due from related parties		331,136 (	378,349)
Other receivables		(460,418)	198,835
Inventories		(1,370,587)	3,144,906
Prepayments		(520,016)	1,799,229
Changes in operating liabilities			
Accounts payable		1,196,758	2,856,608
Accounts payable to related parties		(55,067)	144,582
Other payables		541,255	620,562
Other current liabilities		229,385 (	15,564)
Cash inflow generated from operations		32,597,383	35,824,519
Income tax paid		(2,212,561) (	2,225,878)
Net cash flows from operating activities		30,384,822	33,598,641

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ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through profit or loss		(\$ 187,069)	(\$ 111,339)
Decrease (increase) in current financial assets at amortised cost		4,434,550	(2,232,802)
Acquisition of financial assets at fair value through other comprehensive income		(135,500)	(195,427)
Proceeds from disposal of financial assets at fair value through other comprehensive income		39,066	-
Acquisition of property, plant and equipment	6(33)	(16,256,978)	(25,718,517)
Proceeds from disposal of property, plant and equipment		247,963	265,332
Acquisition of intangible assets		(753)	(41,019)
Acquisition of right-of-use assets	6(9)	(448)	(347,600)
(Increase) decrease in other non-current assets		(25,667)	3,616
Increase in other non-current liabilities		788,165	81,546
Collected income distribution	6(2)	26,027	7,923
Interest received		2,871,224	2,548,418
Dividend received		52,524	9,524
Net cash flows used in investing activities		(8,146,896)	(25,730,345)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(33)	10,901,488	20,644,189
Decrease in short-term borrowings	6(33)	(24,058,846)	(3,284,436)
Proceeds from long-term borrowings	6(33)	4,599,959	10,498,454
Repayments of long-term borrowings	6(33)	(1,421,941)	(7,871,479)
(Decrease) increase in guarantee deposits received	6(33)	(3,099,257)	709,379
Proceeds from issuance of convertible bonds	6(33)	12,468,383	-
Redemption of convertible bonds	6(33)	-	(12,465,792)
Payments of lease liabilities	6(33)	(268,175)	(99,820)
Cash dividends paid	6(21)	(3,101,587)	(5,682,295)
Interest paid		(1,768,779)	(1,905,817)
Changes in non-controlling interests - disposal of the subsidiary	6(32)	-	2,556
Changes in non-controlling interests - the subsidiary buys back treasury shares	6(32)	-	(869,100)
Changes in non-controlling interests - acquisition of shares of the subsidiary	6(32)	91,885	1,781,669
Changes in non-controlling interests - distribution of retained earnings by subsidiaries		(1,493,740)	(1,952,611)
Net cash flows used in financing activities		(7,150,610)	(495,103)
Effect of exchange rate changes on cash and cash equivalents		2,993,927	(1,195,985)
Net increase in cash and cash equivalents		18,081,243	6,177,208
Cash and cash equivalents at beginning of year		61,420,770	55,243,562
Cash and cash equivalents at end of year		<u>\$ 79,502,013</u>	<u>\$ 61,420,770</u>

The accompanying notes are an integral part of these consolidated financial statements.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

Zhen Ding Technology Holding Limited (the ‘Company’, formerly named as Foxconn Advanced Technology Limited) was incorporated in the Cayman Islands in June 2006. According to the resolution of the Board of Directors in May 2011, the Company was renamed to Zhen Ding Technology Holding Limited and related registration was completed in July 2011. The registration address is P.O. Box 31119 Grand Pavilion Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands. The Company and its subsidiaries (collectively referred herein as the ‘Group’) are engaged in manufacturing and selling printed circuit board (the ‘PCB’). The Company has been listed on the Taiwan Stock Exchange since December 26, 2011.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on March 11, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2024 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024

The above standards and interpretations have no significant impact to the Group’s financial position and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:.

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Group's financial position and financial performance based on the Group's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 referencing nature-dependent electricity'	January 1, 2026
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment 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 Accounting Standards—Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

A. IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

B. Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'

The amendments require an entity to update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Except as stated otherwise, the principal accounting policies applied in the preparation of these consolidated financial statements have been consistently applied to all the periods presented.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
 - (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Available-for-sale financial assets measured at fair value.
 - (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The items involving a higher degree of judgement or complexity, or items where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
 - (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the

date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) The profit or loss and each component of other comprehensive income shall be attributed to the owners of the parent and to the non-controlling interests, and total comprehensive income shall also be attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are equity transactions (i.e. transactions with owners in their capacity as owners). It shall be recognised directly in equity and difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised 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.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2024	December 31, 2023	
The Company	Zhen Ding Technology Co., Ltd.	Trading company	100	100	
The Company	Monterey Park Finance Limited (B.V.I.)	Holding company	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2024	December 31, 2023	
The Company	Zhen Ding Technology Singapore Private Limited (Singapore)	Holding company	100	100	
The Company	Boardtek Electronics Corporation	Manufacturing company	100	100	
Zhen Ding Technology Co., Ltd.	FAT Holdings Limited (Cayman)	Holding company	100	100	
Monterey Park Finance Limited (B.V.I.)	Coppertone Enterprises Limited (B.V.I.)	Holding company	100	100	
Monterey Park Finance Limited (B.V.I.)	Pacific Fair International Limited (Hongkong)	Holding company	100	100	
Monterey Park Finance Limited (B.V.I.)	Huaian Jia Wei Industrial Development Co., Ltd	Trading company	100	100	
Monterey Park Finance Limited (B.V.I.)	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Holding company	55.99	55.99	(d)
Huaian Jia Wei Industrial Development Co., Ltd	Huaian ChengXin Park Management Co., Ltd.	Property management company	47	-	(l)

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2024	December 31, 2023	
Monterey Park Finance Limited (B.V.I.)	Leading Interconnect Semiconductor Technology Limited (Cayman)	Holding company	-	-	(n)
Coppertone Enterprises Limited (B.V.I.)	Mayco Industrial Limited (Hong Kong)	Holding company	100	100	
Mayco Industrial Limited (Hong Kong)	Avary Holding (Shenzhen) Co., Limited	Manufacturing company	66.54	66.54	(a)
Pacific Fair International Limited (Hong Kong)	Avary Holding (Shenzhen) Co., Limited	Manufacturing company	5.74	5.74	(a)
Avary Holding (Shenzhen) Co., Limited	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Manufacturing company	13.72	13.72	(c)
Avary Holding (Shenzhen) Co., Limited	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Manufacturing company	100	100	
Avary Holding (Shenzhen) Co., Limited	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Manufacturing company	100	100	
Avary Holding (Shenzhen) Co., Limited	Yu Ding Precision Electronics (Huaian) Co., Ltd.	Manufacturing company	-	100	(j)

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2024	December 31, 2023	
Avary Holding (Shenzhen) Co., Limited	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Manufacturing company	100	100	(j)
Avary Holding (Shenzhen) Co., Limited	Fu Bo Industry (Shenzhen) Co., Ltd.	Manufacturing company	100	100	
Avary Holding (Shenzhen) Co., Limited	Kui Sheng Technology (Shenzhen) Co., Ltd.	Trading company	100	100	
Avary Holding (Shenzhen) Co., Limited	Avary Holding Investment (Shenzhen) Co., Ltd.	Investment company	100	100	
Avary Holding (Shenzhen) Co., Limited	Garuda International Limited (Hongkong)	Trading company	100	100	
Avary Holding (Shenzhen) Co., Limited	Avary Singapore Private Limited (Singapore)	Holding company	71.95	71.95	(g)
Avary Holding (Shenzhen) Co., Limited	Zhuhai Hengqin Avary Investment Limited Partnership	Investment company	0.611	-	(h)
Avary Holding (Shenzhen) Co., Limited	Avary Property Management Service(Shenzhen) Co., Ltd.	Property management company	100	100	
Avary Holding (Shenzhen) Co., Limited	Yaoding Environmental Energy Technology (Shenzhen) Limited	Environmental protection and energy conservation service company	-	-	(m)

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2024	December 31, 2023	
Avary Holding Investment (Shenzhen) Co., Ltd.	Zhuhai Hengqin Avary Investment Limited Partnership	Investment company	99.389	99.389	
Garuda International Limited (Hongkong)	Garuda Technology Co., Ltd.	Trading company	100	100	
Garuda International Limited (Hongkong)	Avary Japan Co., Ltd. (Japan)	Trading company	-	100	(k)
Garuda International Limited (Hongkong)	Avary Singapore Private Limited (Singapore)	Holding company	28.05	28.05	(g)
Garuda International Limited (Hongkong)	Peng Shen Technology (Thailand) Co., Ltd. (Thailand)	Manufacturing company	0.001	0.001	(f)
Avary Singapore Private Limited (Singapore)	Peng Shen Technology (Thailand) Co., Ltd. (Thailand)	Manufacturing company	89.999	89.999	(f)
Avary Singapore Private Limited (Singapore)	Avary Technology (India) Private Limited (India)	Manufacturing company	100	100	
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Huaian ChengXin Park Management Co., Ltd.	Property management company	53	-	(l)

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2024	December 31, 2023	
Yaoding Environmental Energy Technology (Shenzhen) Limited	Yaoding Environmental Energy Technology (Huaian) Limited	Environmental protection and energy conservation service company	-	-	(o)
Yaoding Environmental Energy Technology (Shenzhen) Limited	Yaoding Environmental Energy Technology (Qinhuangdao) Limited	Environmental protection and energy conservation service company	-	-	(p)
Boardtek Electronics Corporation	Boardtek Investment Co., Ltd.	Investment company	-	100	(i)
Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Manufacturing company	100	100	(e)
Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Qi Ding Technology Qinhuangdao Co., Ltd.	Manufacturing company	-	-	(e)
Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Leading Interconnect International Limited (Formerly named: Henley International Limited (Hongkong))	Trading company	100	100	(b)

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2024	December 31, 2023	
Zhen Ding Technology Singapore Private Limited (Singapore)	Zhen Ding Technology India Private Limited (India)	Manufacturing company	37.50	37.50	
Zhen Ding Technology Singapore Private Limited (Singapore)	Zhen Ding Developer India Private Limited (India)	Property management company	99.997	99.997	
FAT Holdings Limited (Cayman)	Zhen Ding Technology India Private Limited (India)	Manufacturing company	62.50	62.50	
FAT Holdings Limited (Cayman)	Zhen Ding Developer India Private Limited (India)	Property management company	0.003	0.003	

- (a) On June 1, 2023, because Avary Holding (Shenzhen) Co., Limited cancelled 718,000 shares after repurchasing restricted shares, the shareholding ratio of Mayco Industrial Limited (Hongkong) and Pacific Fair International Limited (Hongkong) became 66.32% and 5.72%, respectively. On July 10, 2023, because Avary Holding (Shenzhen) Co., Limited lifted the sales restriction on restricted shares of 1,757,000 shares, the shareholding ratio of Mayco Industrial Limited (Hongkong) and Pacific Fair International Limited (Hongkong) became 66.27% and 5.72%, respectively. In December 2023, Avary Holding (Shenzhen) Co., Limited repurchased 9,469,900 of its shares through centralized bidding transactions, and consequently, the shareholding ratio of Mayco Industrial Limited (Hongkong) and Pacific Fair International Limited (Hongkong) became 66.54% and 5.74%, respectively.
- (b) On April 4, 2023, due to the reorganization of the Group, Monterey Park Finance Limited sold Leading Interconnect International Limited to Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd. Refer to Note 6(32) for details.
- (c) In the first half of 2023, Avary Holding (Shenzhen) Co., Limited did not participate in the cash capital increase of Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd., thus, the shareholding ratio became 13.72%.
- (d) In the first half of 2023, Monterey Park Finance Limited did not participate in the cash capital

increase of Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd., thus, the shareholding ratio became 55.99%.

- (e) On July 31, 2023, due to the reorganization of the Group, Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. merged with Qi Ding Technology Qinhuangdao Co., Ltd., and the transaction was accounted for using book value method.
- (f) On September 15, 2023, the Group invested in Peng Shen Technology (Thailand) Co., Ltd. in Thailand, which has been included in the consolidated financial statements. It is mainly engaged in the processing and manufacture of electronic products. On October 11, 2023, Avary Singapore Private Limited increased its investment by cash in Peng Shen Technology (Thailand) Co., Ltd., and accordingly, the shareholding ratio of Avary Singapore Private Limited and Garuda International Limited (Hongkong) became 89.999% and 0.001%, respectively.
- (g) On October 6, 2023, Garuda International Limited (Hongkong) increased its investment by cash in Avary Singapore Private Limited, and accordingly, the shareholding ratio of Avary Holding (Shenzhen) Co., Limited and Garuda International Limited (Hongkong) became 71.95% and 28.05%, respectively.
- (h) In the first quarter of 2024, Avary Holding (Shenzhen) Co., Limited did not participate in the cash capital increase of Zhuhai Hengqin Avary Investment Limited Partnership, thus, the shareholding ratio became 0.611%.
- (i) To consolidate resources and improve management efficiency, the Board of Directors of Boardtek Electronics Corporation and Boardtek Investment Co., Ltd. resolved on July 16, 2024 to merge by consolidation, with Boardtek Electronics as the surviving company and Boardtek Investment as the dissolved company. The baseline date of consolidation was August 15, 2024 and the date of approval was October 15, 2024.
- (j) On August 31, 2024, due to the reorganization of the Group, Qing Ding Precision Electronics (Huaian) Co., Ltd. merged with Yu Ding Precision Electronics (Huaian) Co., Ltd. and the transaction was accounted for using book value method.
- (k) The Group adjusted its investment framework in 2024, and Avary Japan Co., Ltd. completed the settlement in the third quarter.
- (l) Huaian Jia Wei Industrial Development Co., Ltd. and Qing Ding Precision Electronics (Huaian) Co., Ltd. jointly established Huaian ChengXin Park Management Co., Ltd. on September 14, 2024. It is still undergoing industrial and commercial review procedures, and no actual investment has been made.
- (m) Avary Holding (Shenzhen) Co., Limited established Yaoding Environmental Energy Technology (Shenzhen) Limited in Shenzhen in September 2024. It is still undergoing industrial and commercial review procedures, and no actual investment has been made.
- (n) Monterey Park Finance Limited established Leading Interconnect Semiconductor

Technology Limited in Cayman in November 2024. It is still undergoing industrial and commercial review procedures, and no actual investment has been made.

(o) Yaoding Environmental Energy Technology (Shenzhen) Limited established Yaoding Environmental Energy Technology (Huaian) Limited in Huaian in December 2024. It is still undergoing industrial and commercial review procedures, and no actual investment has been made.

(p) Yaoding Environmental Energy Technology (Shenzhen) Limited established Yaoding Environmental Energy Technology (Qinhuangdao) Limited in Qinhuangdao in December 2024. It is still undergoing industrial and commercial review procedures, and no actual investment has been made.

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

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Nature and extent of the restrictions on fund remittance from subsidiaries to the parent company: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2024 and 2023, the non-controlling interests of the Group amounted to \$43,205,372 and \$38,628,215, respectively. The information on non-controlling interests and their subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest		Description
		December 31, 2024		
		Amount	Ownership (%)	
Avary Holding (Shenzhen) Co., Limited	China	\$ 40,866,468	27.72%	

Name of subsidiary	Principal place of business	Non-controlling interest		Description
		December 31, 2023		
		Amount	Ownership (%)	
Avary Holding (Shenzhen) Co., Limited	China	\$ 35,662,339	27.72%	

Summary of the financial information of subsidiary:

Consolidated balance sheets of Avary Holding (Shenzhen) Co., Limited

	December 31, 2024	December 31, 2023
Current assets	\$ 108,060,468	\$ 89,921,743
Non-current assets	95,542,616	93,371,793
Current liabilities	(50,996,384)	(51,151,323)
Non-current liabilities	(5,152,637)	(3,465,647)
Total net assets	<u>\$ 147,454,063</u>	<u>\$ 128,676,566</u>

Consolidated statements of comprehensive income of Avary Holding (Shenzhen) Co., Limited

	Years ended December 31,	
	2024	2023
Revenue	<u>\$ 158,311,250</u>	<u>\$ 142,043,774</u>
Profit before income tax	18,255,446	15,909,597
Income tax expense	(1,897,423)	(1,256,105)
Profit	16,358,023	14,653,492
Other comprehensive (loss) income, net of tax	(215,255)	482,076
Total comprehensive income	<u>\$ 16,142,768</u>	<u>\$ 15,135,568</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 20,606,294</u>	<u>\$ 2,258,199</u>

Consolidated statements of cash flows of Avary Holding (Shenzhen) Co., Limited

	Years ended December 31,	
	2024	2023
Net cash from operating activities	\$ 34,301,506	\$ 32,426,301
Net cash used in investing activities	(9,335,384)	(17,646,960)
Net cash used in financing activities	(6,785,047)	(2,931,958)
Effect of exchange rate changes on cash and cash equivalents	(3,652,148)	(1,033,592)
Net increase in cash and cash equivalents	<u>14,528,927</u>	<u>10,813,791</u>
Cash and cash equivalents at beginning of year	<u>46,558,590</u>	<u>35,744,799</u>
Cash and cash equivalents at end of year	<u>\$ 61,087,517</u>	<u>\$ 46,558,590</u>

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The Company's functional currency is USD; however, the consolidated financial statements are presented in NTD because of regulatory requirements.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are

recognised in profit or loss in the period in which they arise.

- (b) Monetary assets and liabilities denominated in foreign currencies are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at the average exchange rates of that period; and
- (c) All resulting exchange differences are recognised in other comprehensive income.

When presenting the Group's functional currency denominated financial statements in NT dollars, the average exchange rates were NT \$32.11 (in dollars) to US \$1 (in dollar) and NT \$31.15 (in dollars) to US \$1 (in dollar) for the years ended December 31, 2024 and 2023, respectively; the closing rates were NT \$32.785 (in dollars) to US \$1 (in dollar) and NT \$30.705 (in dollars) to US \$1 (in dollars) as of December 31, 2024 and 2023, respectively.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be realised within twelve months from the balance sheet date; or
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet

date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities that are expected to be paid off within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be paid off within twelve months from the balance sheet date; or
- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets/liabilities at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income. Financial assets measured at amortised cost or fair value through other comprehensive income are designated as the financial assets at fair value through profit or loss at initial recognition by the Group if doing so eliminates or significantly reduces a measurement or recognition inconsistency.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using settlement date accounting.
- C. Financial assets at fair value through profit or loss are initially recognised at fair value. Related transaction costs are expensed in profit or loss. These financial assets are subsequently measured and stated at fair value, and any changes in the fair value of these financial assets are recognised in profit or loss.
- D. The Group recognises the dividend income in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

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

- A. The Group may make irrevocable election at initial recognition to recognise the changes in fair value in other comprehensive income for the investments in equity instruments that is not held for trading or the investments in debt instruments meet both of the following conditions:
 - (a) The financial assets held within a business model whose objective is both collecting contractual cash flows and selling financial assets.
 - (b) The contractual terms of the financial assets give rise on specified dates to cash flows that are

solely payments of principal and interest on the principal amount outstanding.

- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using settlement date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:
 - (a) The changes in fair value of equity instruments are recognised in other comprehensive income. The cumulative gain or loss previously recognised in other comprehensive income shall be recorded to retained earnings and not be reclassified to profit or loss upon the derecognition. Dividends are recognised in profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.
 - (b) Except for the impairment losses, interest income and foreign exchange gains or losses which are recognised in profit or loss, the changes in fair value of debt instruments are recognised in other comprehensive income before derecognition. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(9) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet both of the following conditions:
 - (a) The financial assets held within a business model whose objective is in order to collect contractual cash flows, and
 - (b) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using settlement date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Group's time deposits which do not meet the condition of cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost including accounts receivable or contract assets containing a significant financing component, lease receivables, loan commitments and financial guarantee contracts, at each balance sheet date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information (including forecasts). On the other hand, the Group recognises the impairment provision for lifetime ECLs for accounts receivable or contract assets containing a significant financing component.

(12) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(13) Leases (lessor)

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(15) Investments accounted for using equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

(16) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting policies, changes in accounting estimates and errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	5 ~ 54 years
Machinery and equipment	2 ~ 16 years
Leasehold improvements	5 years or the lease term whichever is shorter
Other equipment	3 ~ 16 years

(17) Leases (lessee)

- A. Leases are recognised as right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. At the commencement date, the right-of-use asset measured at cost shall comprise the amount of the initial measurement of lease liability and any initial direct costs incurred. The right-of-use asset subsequently measured at cost model and shall be depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.
- C. The lease liability is at the present value of the lease payments that are not paid and shall be discounted using the Group's incremental borrowing rate at commencement date. The lease payments include fixed payments less any lease incentives receivable. The lease liability is subsequently measured using an effective interest method on an amortised cost basis and the interest expense is allocated over the lease term. The amount of the remeasurement of the lease liability shall be recognised as an adjustment to the right-of-use asset if there are changes in the lease term or to the lease payments not arising from contract modifications.

(18) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 25 years.

(19) Intangible assets

A. Patents and technological expertise

Separately acquired patents and technological expertise are recognised at cost. Patents and technological expertise acquired in a business combination are recognised at fair value at the acquisition date. Patents and technological expertise with a finite useful life are amortised on the straight-line method over their estimated useful life of 5 years.

B. Computer software

Computer software shall be measured initially at cost and amortised on the straight-line method over its estimated useful life of 3 to 5 years.

C. Goodwill

Goodwill arose from a business combination accounted for by applying the acquisition method.

(20) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there are any impairment indications. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.
- B. The recoverable amounts of goodwill shall be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated based on the operating segment to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination.

(21) Borrowings

- A. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.
- B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.
- C. Extension option is not closed related to the host debt instruments, unless the rates are also adjusted close to current market rates when extending.

(22) Accounts payable

- A. Accounts payable are the liabilities for purchases of raw materials, goods or services.
- B. The short-term accounts payable without bearing interest are measured at initial invoice amount as the effect of discounting is immaterial.

(23) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged, cancelled, or expired.

(24) Financial liabilities and equity instruments

Convertible corporate bonds issued by the Group are embedded with conversion options (that is, the bondholders have the right to convert the bonds into the Group's ordinary share by exchanging a fixed amount of cash for a fixed number of ordinary share), call options and put options. In accordance with the terms and conditions of the indenture, the Group classifies the convertible corporate bonds and the embedded derivative instruments on initial recognition as a financial asset, a financial liability or an equity instrument (the 'capital surplus-share options'). Convertible corporate bonds are accounted for as follows:

- A. The exercise price of call options and put options embedded in the convertible corporate bonds is approximately equal to the amortised cost of the host debt instrument on each exercise date; therefore, call options and put options are closely related to the host debt contract.
- B. Call options, put options, and host debt of the convertible corporate bonds are initially recognised at fair value. Any difference between the proceeds and the redemption value is accounted for as the premium or discount on bonds payable and presented as an addition to or deduction from bonds payable, which is amortised in profit or loss as an adjustment to the 'finance costs' over the period of bond outstanding using the effective interest method.
- C. Conversion options embedded in convertible corporate bonds issued by the Group, which meet the definition of an equity instrument, are initially recognised in the 'capital surplus-share options' at the residual amount of total issue price less amounts of the 'bonds payable' as stated above. Conversion options are not subsequently remeasured.
- D. Any transaction costs directly attributable to the issuance of convertible corporate bonds are allocated to the liability and equity components in proportion to the allocation of proceeds.
- E. When bondholders exercise conversion options, the liability component shall be remeasured on the conversion date. The carrying amount of ordinary share issued due to the conversion shall be based on the remeasured carrying amount of the abovementioned liability component plus the carrying amount of the 'capital surplus-share options'.

(25) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for that service, and shall be recognised as expenses when the employees have rendered service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions shall be recognised as pension expenses when they are due on an accrual basis. Prepaid contributions shall be recognised as an asset to the extent that the prepayment will lead to a cash refund or a reduction in the future payments.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is accrued from the present value of future benefits that employees have earned in return for their services in the current or prior periods. The Group recognised the present value of the defined benefit obligation deducting the fair value of plan assets at the balance sheet date. Net obligation of the defined benefit is calculated annually by independent actuaries using the projected unit credit method and is discounted by using the market yield on government bonds (at the balance sheet date).
- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employees' compensation (bonus) is distributed by shares, the Group calculates the number of shares based on the fair value per share (closing price) at the previous day of the Board of Directors' resolution.

(26) Employee share-based payment

- A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the quantity of equity instruments that are expected to vest under the non-market vesting conditions. Ultimately, the amount of compensation cost is recognised based on the number of equity instruments that eventually vest.
- B. Employee restricted stocks:
 - (a) Employee restricted stocks measured at the fair value of the equity instruments at the grant date, and are recognised as compensation cost over the vesting period.
 - (b) Those restricted stocks do not restrict distribution of dividends to employees and employees are not required to return the dividends received if they resign during the vesting period, the Group recognises the fair value of the dividends received by the employees who are expected

to resign during the vesting period as compensation cost at the date of dividends declared.

- (c) Employees have to pay to acquire those restricted stocks. If employees resign during the vesting period, the Group must refund their payments in exchange for the restricted stocks return by the employees. The Group recognises the payments to the employees who are expected to resign during the vesting period as liabilities at the grant date, and recognises the payments for the employees who are expected to be eventually vested with the stocks in 'capital surplus – others'.

(27) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. Different tax regulations are applicable to the Group according to the countries where the companies are registered:
 - (a) Companies that are registered in Cayman Islands and British Virgin Islands are exempted from income tax in accordance with local regulations.
 - (b) For the companies that are registered in the Republic of China, in addition to income tax that is estimated in accordance with the tax laws, an additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings. When calculating income tax, in addition to applying the tax laws to calculate regular tax, the basic tax is calculated under the 'Income Basic Tax Act.' If regular tax is lower than basic tax, the difference between them shall be added to income tax payable. The aforementioned difference shall not be offset with investment tax credits under other laws and regulations.
 - (c) Income taxes of companies that are registered in Mainland China are calculated in accordance with 'Law of the People's Republic of China on Enterprise Income Tax' and its implementation and related notification letters.
 - (d) Income taxes of companies that are registered in the Government of the Hong Kong Special Administrative Region of the People's Republic of China are calculated based on the revenue earned in Hong Kong and in accordance with 'Hong Kong Inland Revenue Ordinance'.
 - (e) Income taxes of companies that are registered in the Singapore, India and Japan are calculated in accordance with the local regulations for the current year.

- C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
- D. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(28) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(29) Revenue recognition

A. Sales of goods

- (a) The Group manufactures and sells PCB and related products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Sales of PCB and related products are recognised as the amount of contract price, net of the estimated discounts credits and price concessions.

- (b) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Financial component

The contract between the Group and the customer, as the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

(30) Government grants

Government grants shall not be recognised at fair value until there is reasonable assurance that the entity will comply with the conditions attached to them, and that the grants will be received. Government grants shall be recognised in profit on a systematic basis over the periods in which the entity recognises the related expenses for which the grants are intended to compensate. Government grants related to property, plant and equipment shall be recognised within non-current liabilities that are recognised in profit on the straight-line method over the estimated useful life of related assets.

(31) Operating segments

Operating segments are reported in a manner consistent with the internal management reports provided to the chief operating decision-maker, who is responsible for allocating resources to operating segments and evaluating their performance.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The related information is addressed below:

Critical accounting estimates and assumptions

Accounting estimates are based on the situation on the balance sheet date to estimate future events, though there could be differences between the actual events and estimation. Estimates and assumptions on the risk of possible critical adjustments to the carrying amount of assets and liabilities for the next fiscal year are as follows:

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete

inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2024, the carrying amount of inventories was \$17,989,585.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand and petty cash	\$ 242	\$ 212
Checking accounts and demand deposits	32,853,027	33,160,328
Cash equivalents		
Time deposits	46,648,744	28,260,230
	<u>\$ 79,502,013</u>	<u>\$ 61,420,770</u>

A. As of December 31, 2024 and 2023, the Group's time deposits over three months which are recognised within 'current financial assets at amortised cost' are described in Note 6(3).

B. The Group has no cash and cash equivalents pledged to others except for restricted demand deposits which are recognised within 'other current assets' and 'other non-current assets'. Refer to Note 8 for details.

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Non-current items:		
Private fund	\$ 1,124,995	\$ 1,190,616
Unlisted partnership share	546,040	554,659
	1,671,035	1,745,275
Net exchange differences	82,652	7,212
	<u>\$ 1,753,687</u>	<u>\$ 1,752,487</u>

A. The Group recognised net (loss) gain of (\$170,275) and \$30,261 within 'financial assets at fair value through profit or loss held for trading' for the years ended December 31, 2024 and 2023, respectively.

B. The distribution of income from private equity funds for the years ended December 31, 2024 and 2023 amounted to \$26,027 and \$7,923 respectively.

C. As of December 31, 2024 and 2023, the Group has no unsettled forward foreign exchange transactions.

D. The Group has no financial assets at fair value through profit or loss pledged to others.

(3) Financial assets at amortised cost

<u>Items</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current items		
Time deposits with maturity of over three months	\$ 327,850	\$ 4,549,269

A. Refer to Note 6(26) for interest income arising from financial assets at amortised cost recognised in profit or loss for the years ended December 31, 2024 and 2023.

B. The Group has no financial assets at amortised cost pledged to others as tariff guarantee, except for time deposits with maturity of over three months which are recognised within 'other current assets' and time deposits with maturity of over one year which are recognised within 'other non-current assets'. Refer to Note 8 for details.

C. Refer to Note 12(2) for the information on credit risk.

(4) Notes and accounts receivable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes receivable	\$ 320,103	\$ 72,752
Accounts receivable	26,681,255	25,811,990
	27,001,358	25,884,742
Less: Allowance for bad debts	(81,125)	(81,395)
	<u>\$ 26,920,233</u>	<u>\$ 25,803,347</u>
Accounts receivable due from related parties	\$ 3,272,706	\$ 3,451,852
Less: Allowance for bad debts	(9,818)	(26,321)
	<u>\$ 3,262,888</u>	<u>\$ 3,425,531</u>

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Not past due	\$ 29,802,551	\$ 29,112,357
Between 1 and 90 days	471,400	193,396
Between 91 and 180 days	113	4,492
Over 180 days	-	26,349
	<u>\$ 30,274,064</u>	<u>\$ 29,336,594</u>

B. As of December 31, 2024 and 2023, accounts receivable and notes receivable were all from contracts with customers. In addition, as of January 1, 2023, the balance of receivables arising from contracts with customers amounted to \$30,104,276.

C. The Group does not hold any collateral as security.

D. Refer to Note 12(2) for the information on credit risk.

(5) Other receivables and prepayments

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Other receivables</u>		
Interest income receivable	\$ 193,684	\$ 166,953
Business tax refundable	496,970	58,927
Others	84,833	48,534
	<u>\$ 775,487</u>	<u>\$ 274,414</u>
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Prepayments</u>		
Excess business tax paid	\$ 2,594,151	\$ 1,871,117
Prepaid expenses	1,131,538	1,177,088
	<u>\$ 3,725,689</u>	<u>\$ 3,048,205</u>

The Group's Mainland China subsidiaries are engaged in export sales. Under local regulations, the subsidiaries are entitled to tax benefits on business tax ('VAT') exemption, deduction and refund on the exports of goods. The subsidiaries calculate VAT refund and deductible amounts based on monthly sales by product types. The subsidiaries' counterparties and performing parties are mainly government organizations, so the possibility of default is remote. The subsidiaries recognise related refunds and deductibles within 'other receivables' and 'prepayments', respectively.

(6) Inventories

	<u>December 31, 2024</u>		
	<u>Cost</u>	<u>Allowance for valuation losses</u>	<u>Carrying amount</u>
Raw materials	\$ 4,212,804	(\$ 256,303)	\$ 3,956,501
Work in process	5,532,168	(345,232)	5,186,936
Finished goods	9,229,856	(383,708)	8,846,148
	<u>\$ 18,974,828</u>	<u>(\$ 985,243)</u>	<u>\$ 17,989,585</u>
	<u>December 31, 2023</u>		
	<u>Cost</u>	<u>Allowance for valuation losses</u>	<u>Carrying amount</u>
Raw materials	\$ 4,741,871	(\$ 216,159)	\$ 4,525,712
Work in process	4,792,653	(288,475)	4,504,178
Finished goods	7,284,946	(807,287)	6,477,659
	<u>\$ 16,819,470</u>	<u>(\$ 1,311,921)</u>	<u>\$ 15,507,549</u>

Expenses and losses incurred on inventories for the years ended December 31, 2024 and 2023 are as follows:

	Years ended December 31,	
	2024	2023
Cost of goods sold	\$ 142,372,373	\$ 125,419,015
(Reversal of) losses on valuation of inventory	(381,495)	478,107
Income from sale of scraps and wastes	(2,787,795)	(1,958,573)
	<u>\$ 139,203,083</u>	<u>\$ 123,938,549</u>

The Group reversed losses from a previous inventory write-down and recognised gain on reversal for the year ended December 31, 2024 as the Group sold some inventories with net realisable values lower than its costs.

(7) Non-current financial assets at fair value through other comprehensive income

	2024	2023
Equity instruments		
Listed stocks	\$ 293,167	\$ 328,111
Unlisted stocks	764,937	561,504
Valuation adjustment	645,572	836,228
Net exchange differences	65,066	(11,457)
	<u>\$ 1,768,742</u>	<u>\$ 1,714,386</u>

- A. The Group has elected to classify the stocks that are considered to be strategic investments as financial assets at fair value through other comprehensive income.
- B. In 2024, the Group sold shares of a listed company with a fair value of \$51,600, and the accumulated disposal profit (recorded as undistributed earnings) was \$16,656.
- C. Amounts recognised in other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Years ended December 31,	
	2024	2023
<u>Equity instruments at fair value through other comprehensive (loss) income</u>		
Fair value change recognised in other comprehensive (loss) income	(\$ 174,000)	\$ 787,894
Cumulative gain reclassified to retained earnings due to derecognition	<u>\$ 16,656</u>	<u>\$ -</u>
Dividend income recognised in profit or loss	<u>\$ 8,036</u>	<u>\$ 8,303</u>

- D. The Group has no financial assets at fair value through other comprehensive income pledged to others.

(8) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Other facilities	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2024</u>						
Cost	\$ 3,341,390	\$ 44,292,637	\$ 76,310,008	\$ 44,929,170	\$ 17,208,567	\$ 186,081,772
Accumulated depreciation and impairment	-	(12,026,255)	(41,307,098)	(27,034,922)	-	(80,368,275)
	<u>\$ 3,341,390</u>	<u>\$ 32,266,382</u>	<u>\$ 35,002,910</u>	<u>\$ 17,894,248</u>	<u>\$ 17,208,567</u>	<u>\$ 105,713,497</u>
<u>2024</u>						
Opening net carrying amount	\$ 3,341,390	\$ 32,266,382	\$ 35,002,910	\$ 17,894,248	\$ 17,208,567	\$ 105,713,497
Additions (transfers)	228	10,685,180	5,912,322	5,036,309	(5,300,846)	16,333,193
Disposals	-	-	(135,748)	(76,455)	-	(212,203)
Depreciation expense	-	(2,853,497)	(6,863,144)	(6,925,849)	-	(16,642,490)
Impairment losses	-	-	(1,213)	-	-	(1,213)
Net exchange differences	198,803	1,644,816	1,483,878	904,062	750,252	4,981,811
Closing net carrying amount	<u>\$ 3,540,421</u>	<u>\$ 41,742,881</u>	<u>\$ 35,399,005</u>	<u>\$ 16,832,315</u>	<u>\$ 12,657,973</u>	<u>\$ 110,172,595</u>
<u>At December 31, 2024</u>						
Cost	\$ 3,540,421	\$ 57,144,378	\$ 83,816,660	\$ 51,570,782	\$ 12,657,973	\$ 208,730,214
Accumulated depreciation and impairment	-	(15,401,497)	(48,417,655)	(34,738,467)	-	(98,557,619)
	<u>\$ 3,540,421</u>	<u>\$ 41,742,881</u>	<u>\$ 35,399,005</u>	<u>\$ 16,832,315</u>	<u>\$ 12,657,973</u>	<u>\$ 110,172,595</u>

	Land	Buildings and structures	Machinery and equipment	Other facilities	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2023</u>						
Cost	\$ 2,535,889	\$ 32,809,165	\$ 73,649,928	\$ 40,291,883	\$ 19,536,651	\$ 168,823,516
Accumulated depreciation and impairment	-	(9,719,163)	(37,469,326)	(21,327,716)	-	(68,516,205)
	<u>\$ 2,535,889</u>	<u>\$ 23,090,002</u>	<u>\$ 36,180,602</u>	<u>\$ 18,964,167</u>	<u>\$ 19,536,651</u>	<u>\$ 100,307,311</u>
<u>2023</u>						
Opening net carrying amount	\$ 2,535,889	\$ 23,090,002	\$ 36,180,602	\$ 18,964,167	\$ 19,536,651	\$ 100,307,311
Additions (transfers)	803,660	12,356,635	5,798,463	5,271,168	(2,457,854)	21,772,072
Disposals	-	(54,494)	(115,372)	(50,643)	-	(220,509)
Depreciation expense	-	(2,497,480)	(6,049,328)	(6,740,498)	-	(15,287,306)
Impairment losses	-	(15,834)	(107,758)	(18,711)	-	(142,303)
Net exchange differences	1,841	(612,447)	(703,697)	468,765	129,770	(715,768)
Closing net carrying amount	<u>\$ 3,341,390</u>	<u>\$ 32,266,382</u>	<u>\$ 35,002,910</u>	<u>\$ 17,894,248</u>	<u>\$ 17,208,567</u>	<u>\$ 105,713,497</u>
<u>At December 31, 2023</u>						
Cost	\$ 3,341,390	\$ 44,292,637	\$ 76,310,008	\$ 44,929,170	\$ 17,208,567	\$ 186,081,772
Accumulated depreciation and impairment	-	(12,026,255)	(41,307,098)	(27,034,922)	-	(80,368,275)
	<u>\$ 3,341,390</u>	<u>\$ 32,266,382</u>	<u>\$ 35,002,910</u>	<u>\$ 17,894,248</u>	<u>\$ 17,208,567</u>	<u>\$ 105,713,497</u>

- A. The significant parts of the Group's buildings and structures include main plants and auxiliary improvements, which are depreciated over 20~54 years and 3~10 years, respectively.
- B. The Group assesses recoverable amount of assets at the end of the reporting period based on fair value less selling cost. The fair value is determined using market approach valuation technique taking into consideration the replacement cost which belongs to Level 3. Based on the aforementioned assessment, the Group recognised impairment losses on property, plant and equipment of \$1,213 and \$142,303 for the years ended December 31, 2024 and 2023, respectively.

(9) Right-of-use assets/Lease liabilities

- A. The assets leased by the Group include right-of-use land, buildings, official vehicles and other facilities. The Group's subsidiaries signed right-of-use land contracts with local governments to which the subsidiaries will return the land use right when the contract expires. Except for the lease term of right-of-use land of 20 to 70 years, the remaining lease terms are between 2 and 8 years. The lease contracts are negotiated individually and contain various terms and conditions without other restrictions except for certain leased assets which have been pledged to others.
- B. The leases of buildings, parking space, etc. of the Group have a lease term of 12 months or less, and the leases for which the underlying asset is of low value are all-in-one printers, etc.
- C. The information on the carrying amount of the right-of-use assets and the recognition of depreciation expense are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Right-of-use land	\$ 9,138,614	\$ 9,027,926
Buildings	84,522	27,036
Transportation equipment (official vehicles)	1,652	3,111
Other facilities	4,333	3,067
	<u>\$ 9,229,121</u>	<u>\$ 9,061,140</u>

	<u>Years ended December 31,</u>	<u>Years ended December 31,</u>
	<u>2024</u>	<u>2023</u>
	<u>Depreciation expense</u>	<u>Depreciation expense</u>
Right-of-use land	\$ 318,689	\$ 294,583
Buildings	43,451	46,712
Transportation equipment (official vehicles)	2,466	13,919
Other facilities	1,465	3,411
	<u>\$ 366,071</u>	<u>\$ 358,625</u>

The acquisition of the right-of-use assets for the years ended December 31, 2024 and 2023 amounted to \$134,481 and \$1,243,073, respectively.

- D. As of December 31, 2024, right-of-use land contracts of \$726,130 were in the process of registration between the subsidiaries of the Group and the local government. The registration procedures were completed in February 2025.
- E. The Group recognised rental expense for leases with a lease term of less than 12 months or leases for which the underlying asset is of low value. The information on the lease contract affecting profit or loss is as follows:

	Years ended December 31,	
	2024	2023
<u>Items affecting current profit or loss</u>		
Interest expense from lease liabilities	\$ 24,387	\$ 13,253
Rental expenses for short-term lease contracts and low-value assets	\$ 87,843	\$ 434,464
Loss on disposal of right-of-use assets	\$ -	\$ 320

- F. The cash flows used in the lease payments of the Group for the years ended December 31, 2024 and 2023 were \$380,405 and \$547,537, respectively.

(10) Investment property

	December 31, 2024	December 31, 2023
	Buildings and structures	Buildings and structures
<u>At January 1</u>		
Cost	\$ 4,445,951	\$ 4,522,079
Accumulated depreciation and impairment	(194,604)	(15,226)
	<u>\$ 4,251,347</u>	<u>\$ 4,506,853</u>
Opening net carrying amount	\$ 4,251,347	\$ 4,506,853
Depreciation expense	(186,878)	(183,250)
Decrease	(994,398)	-
Net exchange differences	219,129	(72,256)
Closing net carrying amount	<u>\$ 3,289,200</u>	<u>\$ 4,251,347</u>
<u>At December 31</u>		
Cost	\$ 3,682,806	\$ 4,445,951
Accumulated depreciation and impairment	(393,606)	(194,604)
	<u>\$ 3,289,200</u>	<u>\$ 4,251,347</u>

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Year ended December 31, 2024	Year ended December 31, 2023
Rental income from investment property	\$ 137,626	\$ 63,020
Direct operating expenses arising from the investment property that generated rental income during the year	\$ 186,878	\$ 183,250

B. The fair value of the investment property held by the Group as at December 31, 2024 and 2023 amounted to \$8,054,796 and \$8,972,964, respectively, which was revalued by independent appraisers. The valuation is based on income approach which is categorized within Level 3 in the fair value hierarchy.

C. The decrease in investment property in 2024 was mainly due to the reduction in project payments from suppliers.

(11) Intangible assets

	Year ended December 31, 2024			
	Patents and technological expertise	Software	Goodwill	Total
<u>At January 1, 2024</u>				
Cost	\$ 444,293	\$ 2,436,486	\$ 1,335,405	\$ 4,216,184
Accumulated amortisation	(275,739)	(1,627,239)	-	(1,902,978)
	<u>\$ 168,554</u>	<u>\$ 809,247</u>	<u>\$ 1,335,405</u>	<u>\$ 2,313,206</u>
<u>2024</u>				
Opening net carrying amount	\$ 168,554	\$ 809,247	\$ 1,335,405	\$ 2,313,206
Additions (transfers)	-	200,048	-	200,048
Amortisation expense	(84,089)	(469,094)	-	(553,183)
Net exchange differences	9,646	36,499	90,463	136,608
Closing net carrying amount	<u>\$ 94,111</u>	<u>\$ 576,700</u>	<u>\$ 1,425,868</u>	<u>\$ 2,096,679</u>
<u>At December 31, 2024</u>				
Cost	\$ 474,390	\$ 2,747,509	\$ 1,425,868	\$ 4,647,767
Accumulated amortisation	(380,279)	(2,170,809)	-	(2,551,088)
	<u>\$ 94,111</u>	<u>\$ 576,700</u>	<u>\$ 1,425,868</u>	<u>\$ 2,096,679</u>

	Year ended December 31, 2023			
	Patents and technological expertise	Software	Goodwill	Total
<u>At January 1, 2023</u>				
Cost	\$ 444,365	\$ 1,791,152	\$ 1,335,623	\$ 3,571,140
Accumulated amortisation	(193,058)	(1,239,496)	-	(1,432,554)
	<u>\$ 251,307</u>	<u>\$ 551,656</u>	<u>\$ 1,335,623</u>	<u>\$ 2,138,586</u>
<u>2023</u>				
Opening net carrying amount	\$ 251,307	\$ 551,656	\$ 1,335,623	\$ 2,138,586
Additions (transfers)	-	686,304	-	686,304
Amortisation expense	(83,882)	(410,263)	-	(494,145)
Net exchange differences	1,129	(18,450)	(218)	(17,539)
Closing net carrying amount	<u>\$ 168,554</u>	<u>\$ 809,247</u>	<u>\$ 1,335,405</u>	<u>\$ 2,313,206</u>
<u>At December 31, 2023</u>				
Cost	\$ 444,293	\$ 2,436,486	\$ 1,335,405	\$ 4,216,184
Accumulated amortisation	(275,739)	(1,627,239)	-	(1,902,978)
	<u>\$ 168,554</u>	<u>\$ 809,247</u>	<u>\$ 1,335,405</u>	<u>\$ 2,313,206</u>

A. The Group acquired 100% of the shares of Boardtek Electronics Corporation on November 4, 2020 and Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd. in 2008, and recognised goodwill as well as patents and technological expertise under the acquisition method.

B. Goodwill is allocated to the cash-generating units identified by operating segments. The recoverable amount has been determined based on value-in-use calculations with operating income rate, growth rate and discount rate. Management determined budgeted operating income rate based on its expectations of market development, the growth rates based on the expectations of industry, and the discount rates based on the weighted average capital cost. The discount rate was 4.01% and 4.03% for the years ended December 31, 2024 and 2023, respectively.

(12) Other non-current assets

	December 31, 2024	December 31, 2023
Prepayments for business facilities	\$ 1,359,725	\$ 450,670
Refundable deposits	190,359	174,061
Net defined benefit asset	103,412	84,053
Others	393,442	366,407
	<u>\$ 2,046,938</u>	<u>\$ 1,075,191</u>

Information about the other non-current assets that were pledged to others as tariff guarantee and reserve accounts for long-term is described in Note 8.

(13) Short-term borrowings

Type of borrowings	December 31, 2024	Interest rate range	Collateral
Credit loans	<u>\$ 21,706,441</u>	1.93%~8.50%	None
	December 31, 2023	Interest rate range	Collateral
Credit loans	<u>\$ 33,853,082</u>	1.73%~8.23%	None

(14) Other payables

	December 31, 2024	December 31, 2023
Payable on machinery and equipment	\$ 7,339,279	\$ 7,443,454
Wages and bonuses payable	4,964,198	5,076,696
Repairs and maintenance fee payable	1,222,087	904,918
Payable on mold and jig	1,173,184	1,234,910
Tax payable	579,733	591,201
Power expenses payable	398,816	332,542
Payables for processing fees	351,457	228,217
Others	<u>3,112,547</u>	<u>2,474,534</u>
	<u>\$ 19,141,301</u>	<u>\$ 18,286,472</u>

(15) Bonds payable

	December 31, 2024	December 31, 2023
4th overseas unsecured convertible bonds:		
Bonds payable	\$ 14,243,722	\$ -
Less: Discount on bonds payable	(<u>2,642,118</u>)	<u>-</u>
	11,601,604	-
Less: Current portion of bonds payable (within 'long-term liabilities, current portion')	<u>-</u>	<u>-</u>
Bonds payable	<u>\$ 11,601,604</u>	<u>\$ -</u>

A. Conditions for issuance of 4th overseas unsecured convertible bonds are as follows:

- The competent authority has approved the Company's third issuance of overseas unsecured corporate bonds on January 15, 2024. The total issue amount of the bonds is USD 400,000 thousand, at a coupon rate of 0% and maturity of 5 years from January 24, 2024 to January 24, 2029.
- The conversion price of the bonds is adjusted based on the pricing model in the terms of the bonds. As of June 14, 2024, the conversion price of the bonds was adjusted to NTD 106.60 (exchange rate of NTD 31.499 (in dollars) to USD 1 (in dollar)) based on the terms of the 4th overseas unsecured convertible bonds.
- The bondholders have the right to require the Company to repurchase all or any portion of

- bonds at the price of the bonds' principal amount with an annual rate of 3.375% (calculated semi-annually) as interest compensation (110.56% of the principal amount of the corporate bonds) on the day when three years have elapsed since issuance of the bonds.
- (d) Except for bonds redeemed before maturity, repurchased and retired, or converted by the bondholders, the Company will fully redeem the bonds at the maturity date with an annual rate of 3.375% (calculated semi-annually) based on the principal amount. The redemption amount is about 118.22% of the principal amount of the corporate bonds, and the bonds will be redeemed in full.
 - (e) According to the terms of the bonds, all bonds repurchased (including bonds repurchased from the secondary market), redeemed before or at maturity, or converted by the bondholders are retired and not to be re-issued.
 - (f) According to the terms of the bonds, rights and obligations of newly issued shares after conversion are the same as other issued ordinary share. As of December 31, 2024, the Company's fourth issuance of overseas unsecured convertible corporate bonds with the amount of USD 32,500 thousand was converted at the conversion price then into ordinary shares of \$96,033 (9,603,348 shares) at a par value of \$10 and resulted in 'capital surplus-additional paid-in capital arising from bond conversion' of \$949,309.
 - (g) The effective rate of the corporate bonds is 5.17%.
- B. As of June 30, 2023, the bondholders required the Company to repurchase the bonds at the price of the bonds' principal amount of USD 386,400 thousand. Because over 90% of the bonds have been repurchased, in accordance with the terms of issuance, on August 15, 2023, the Company repurchased the residual bonds in advance at the price of USD 13,600 thousand, and the loss on the repurchase was \$438,175 (shown as 'other gains and losses').
- C. Regarding the issuance of 3rd overseas unsecured convertible bonds in 2020, the equity conversion options were separated from the liability component in accordance with IAS 32. As of June 30, 2023, the Company repurchased 3rd overseas unsecured convertible bonds at a principal amount of USD 386,400 thousand and transferred the unconverted options to 'capital surplus - expired share options' in the amount of \$962,863. Additionally, on August 15, 2023, the Company repurchased 3rd overseas unsecured convertible bonds at a principal amount of USD 13,600 thousand in advance and transferred the unconverted options to 'capital surplus - expired share options' in the amount of \$33,890.
- D. Regarding the issuance of the 4th overseas unsecured convertible bonds in 2024, the equity conversion options were separated from the liability component in accordance with IAS 32 and were recognised as 'capital surplus-share options' of \$1,015,416.

(16) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>December 31, 2024</u>
Syndicated loans	Borrowing period is from July 3, 2023 to July 3, 2026; principal is repayable semiannually from January 3, 2026 in two installments; 50% of principal has to be repaid for each installment.	\$ 8,196,250
Credit loans	Borrowing period is from March 24, 2022 to March 24, 2036; principal is repayable semiannually after four years since the first drawdown in twenty installments; 5% of principal has to be repaid for each installment.	4,641,638
	Borrowing period is from January 18, 2023 to January 18, 2025; principal is repayable semiannually after six months since the first drawdown in four installments; the 5% of principal has to be repaid for each of the first 3 installments, and the remaining is repayable on the due date.	387,670
	Borrowing period is from August 18, 2022 to July 29, 2036; principal is repayable semiannually after four years since the first drawdown in twenty installments; 5% of principal has to be repaid for each installment.	2,052,369
	Borrowing period is from August 27, 2024 to August 27, 2027, interest will be paid quarterly and principal will be repaid every six months. In the first year after the first withdrawal, the principal of \$500,000 will be repaid every six months; in the second year after the withdrawal, the principal of \$30 million will be repaid every six months; in the third year after the withdrawal, the principal of \$119.5 million will be repaid every six months and settled on maturity.	1,364,552
	Borrowing period is from March 30, 2023 to March 30, 2026; the principal and interest are repayable on the last month of every quarter.	732,171

Type of borrowings	Borrowing period and repayment term	December 31, 2024
Credit loans	Borrowing period is from September 14, 2023 to September 14, 2026; principal is repayable quarterly after six months (the first installment) since the first drawdown in eleven installments; 5% of principal has to be repaid for the first and second installments, and 10% of principal has to be repaid for the remaining installments.	\$ 346,473
	Borrowing period is from November 9, 2023 to November 30, 2026, the principal will be repaid in equal installments of 8% at the end of each quarter and interest will be paid monthly.	77,919
	Borrowing period is from December 18, 2023 to August 24, 2028; interest is repayable monthly and the principal will not be repaid in the first four years; 5% of principal is repayable semiannually after half years since the drawdown in fifth installments, respectively, and the remaining is repayable on the due date.	1,368,246
	Borrowing period is from July 16, 2024 to July 16, 2027, the principal is repayable semiannually with the first installment of 4.5% of principal due six months after the first withdrawal, the second to fifth installments being 8.4% of principal, and the remainder being settled upon maturity.	290,839
	Borrowing period is from August 22, 2024 to August 20, 2027, the principal will be repaid every six months starting from the second year. The first year after the first transfer is a grace period and no principal will be repaid. Starting from the expiration of the grace period, principal will be repaid every six months. The first (1.5 years after the first transfer)/second/third transfer will be repaid at 1%/2%/3% of the total transfer amount, respectively, and the remaining balance will be repaid in one lump sum upon maturity.	470,960

Type of borrowings	Borrowing period and repayment term	December 31, 2024
Credit loans	Borrowing period is from September 25, 2024 to September 24, 2034, and starting from the first withdrawal, the principal will be repaid in installments every six months, for a total of twenty installments, each at 5%.	\$ 16,237
	Borrowing period is from May 9, 2022 to May 9, 2035; principal is repayable semiannually after three years since the first drawdown in twenty installments; 5% of principal has to be repaid for each installment.	1,571,458
	Borrowing period is from June 29, 2022 to June 28, 2035; principal is repayable semiannually after three years since the first drawdown in twenty installments; 5% of principal has to be repaid for each installment.	1,425,217
	Borrowing period is from July 24, 2024 to January 24, 2028, interest will be paid monthly and the loan will be repaid in one lump sum upon maturity.	<u>819,625</u>
		23,761,624
Less: Syndicated loan arrangement fees		(18,442)
Current portion of long-term borrowings (within 'long-term liabilities, current portion')		(<u>1,333,125</u>)
		<u>\$ 22,410,057</u>
Interest rate		<u>3.10%~7.04%</u>

Type of borrowings	Borrowing period and repayment term	December 31, 2023
Syndicated loans	Borrowing period is from July 3, 2023 to July 3, 2026; principal is repayable semiannually from January 3, 2026 in two installments; 50% of principal has to be repaid for each installment.	\$ 7,676,250
Credit loans	Borrowing period is from March 24, 2022 to March 24, 2036; principal is repayable semiannually after four years since the first drawdown in twenty installments; 5% of principal has to be repaid for each installment.	4,412,031
	Borrowing period is from January 18, 2023 to January 18, 2025; principal is repayable semiannually after six months since the first drawdown in four installments; the 5% of principal has to be repaid for each of the first 3 installments, and the remaining is repayable on the due date.	411,845
	Borrowing period is from August 18, 2022 to July 29, 2036; principal is repayable semiannually after four years since the first drawdown in twenty installments; 5% of principal has to be repaid for each installment.	1,950,845
	Borrowing period is from March 30, 2023 to March 30, 2026; the principal and interest are repayable on the last month of every quarter.	674,602
	Borrowing period is from September 14, 2023 to September 14, 2026; principal is repayable quarterly after six months (the first installment) since the first drawdown in eleven installments; 5% of principal has to be repaid for the first and second installments, and 10% of principal has to be repaid for the remaining installments.	433,521

Type of borrowings	Borrowing period and repayment term	December 31, 2023
Credit loans	Borrowing period is from May 9, 2022 to May 9, 2035; principal is repayable semiannually after three years since the first drawdown in twenty installments; 5% of principal has to be repaid for each installment.	\$ 121,249
	Borrowing period is from December 18, 2023 to August 24, 2028; interest is repayable monthly and the principal will not be repaid in the first four years; 5% of principal is repayable semiannually after half years since the drawdown in fifth installments, respectively, and the remaining is repayable on the due date.	207,223
	Borrowing period is from May 9, 2022 to May 9, 2035; principal is repayable semiannually after three years since the first drawdown in twenty installments; 5% of principal has to be repaid for each installment.	1,389,031
	Borrowing period is from June 29, 2022 to June 28, 2035; principal is repayable semiannually after three years since the first drawdown in twenty installments; 5% of principal has to be repaid for each installment.	1,261,112
	Borrowing period is from January 25, 2021 to July 25, 2024; interest is repayable monthly and the principal has to be repaid at once.	<u>767,679</u>
		19,305,388
Less: Syndicated loan arrangement fees		(28,784)
Current portion of long-term borrowings (within 'long-term liabilities, current portion')		(<u>1,250,317</u>)
		<u>\$ 18,026,287</u>
Interest rate		<u>3.30%~7.49%</u>

During the terms of the syndicated loans, in accordance with the syndicated loan agreement, the Company is required to calculate and maintain certain level of current ratio, liability ratio, times-interest-earned ratio and net tangible asset balance based on the audited annual consolidated financial statements and the reviewed semi-annual consolidated financial statements. As of December 31, 2024, the Company was in compliance with the terms of the syndicated loan agreement.

(17) Pensions

A. Defined benefit plans

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Present value of funded defined benefit obligations	(\$ 67,289)	(\$ 72,112)
Fair value of plan assets	<u>170,701</u>	<u>156,165</u>
Net defined benefit asset (within "other non-current assets")	<u>\$ 103,412</u>	<u>\$ 84,053</u>

- (a) The Group's subsidiaries in Taiwan, Zhen Ding Technology Co., Ltd. and Boardtek Electronics Corporation, have defined benefit pension plans in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Taiwan subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent Supervisory Committee of Labor Retirement Reserve Fund (the 'Fund'). Before the end of each year, the Taiwan subsidiaries assess the balance in the aforementioned Fund. If the balance in the Fund is insufficient to pay the retirement benefits of employees who are eligible for retirement in the following year by the aforementioned method, the Taiwan subsidiaries are required to fund the deficit in one appropriation before the end of next March.

(b) Movements in net defined benefit assets are as follows:

<u>Year ended December 31, 2024</u>	<u>Present value of defined benefit obligations</u>	<u>Fair value of of plan assets</u>	<u>Net defined benefit liability</u>
Balance at January 1, 2024	(\$ 72,112)	\$ 156,165	\$ 84,053
Current service cost	(129)	-	(129)
Interest (expense) income of net defined benefit asset	(928)	2,021	1,093
	(73,169)	158,186	85,017
Remeasurements:			
Return on plan assets (excluding aforementioned interest income or expense)	-	14,366	14,366
Change in demographic assumptions	57	-	57
Change in financial assumptions	2,396	-	2,396
Experience adjustments	1,561	-	1,561
	4,014	14,366	18,380
Pension fund contribution	-	15	15
Paid pension	1,866	(1,866)	-
Balance at December 31, 2024	(\$ 67,289)	\$ 170,701	\$ 103,412
<u>Year ended December 31, 2023</u>	<u>Present value of defined benefit obligations</u>	<u>Fair value of of plan assets</u>	<u>Net defined benefit liability</u>
Balance at January 1, 2023	(\$ 87,049)	\$ 169,358	\$ 82,309
Current service cost	(168)	-	(168)
Interest (expense) income of net defined benefit asset	(1,164)	2,290	1,126
	(88,381)	171,648	83,267
Remeasurements:			
Return on plan assets (excluding aforementioned interest income or expense)	-	1,350	1,350
Change in demographic assumptions	(235)	-	(235)
Change in financial assumptions	(397)	-	(397)
Experience adjustments	53	-	53
	(579)	1,350	771
Pension fund contribution	-	15	15
Paid pension	16,848	(16,848)	-
Balance at December 31, 2023	(\$ 72,112)	\$ 156,165	\$ 84,053

(c) The Bank of Taiwan was commissioned to manage the plan assets of the Fund for the Taiwan subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the 'Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund' (Article 6: the scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the amounts accrued from the local bank interest rates of two-year time deposits. If the earnings are inadequate, government shall make payment for the deficit after being authorised by the Taiwan Competent Authority. The Taiwan subsidiaries have no right to participate in managing and operating the Fund and hence the Taiwan subsidiaries are unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. As of December 31, 2024 and 2023, the fair value of plan assets is given in the 'Utilization Status of the Labor Funds' announced by the local government.

(d) The principal actuarial assumptions used were as follows:

	Years ended December 31,	
	2024	2023
Discount rate	1.65%	1.30%
Rate of future salary increase	2.00%	2.00%
Rate of employee turnover	0.10%~6.20%	0.10%~6.64%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

The analysis of the present value of defined benefit obligation due to the main actuarial assumption changes was as follows:

	Discount rate		Rate of future salary increase		Rate of employee turnover	
	Increase	Decrease	Increase	Decrease	110% of expected rate	90% of expected rate
<u>December 31, 2024</u>	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>		
Increase (decrease) in present value of defined benefit obligations	(\$ 1,642)	\$ 1,698	\$ 1,688	(\$ 1,640)	(\$ 37)	\$ 37
<u>December 31, 2023</u>						
Increase (decrease) in present value of defined benefit obligations	(\$ 1,901)	\$ 1,971	\$ 1,952	(\$ 1,893)	(\$ 52)	\$ 53

(e) Expected contributions to the defined benefit pension plans of the Group amount to \$43 for the year ending December 31, 2025.

(f) As of December 31, 2024, the weighted average duration of the pension plan is 10~12 years.

B. Defined contribution plan

(a) Effective July 1, 2005, the Taiwan subsidiaries of the Group have established a defined contribution pension plan (the 'New Plan') under the Labor Pension Act, covering all regular employees with R.O.C. nationality. Under the New Plan, the Taiwan subsidiaries of the Group contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The contribution plan accrued dividends from an employee's individual account is paid monthly or in lump sum upon retirement of an employee. The pension expenses recognised in accordance with the New Plan were \$80,778 and \$82,427 for the years ended December 31, 2024 and 2023, respectively.

(b) The Mainland China subsidiaries of the Group have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China are based on certain percentage of employees' monthly salaries and wages with the contribution percentage of 10%~20%, and pension is contributed to the employees' individual pension accounts. Pension of each employee is managed by the government. Other than the monthly contributions, the Group has no further obligations. The pension expenses recognised in accordance with local regulations were \$2,048,628 and \$1,540,189 for the years ended December 31, 2024 and 2023,

respectively.

(18) Share-based payment

A. The share-based payment arrangements of the Company's subsidiary, Avary Holding (Shenzhen) Co., Limited, are as follows:

Type of arrangements	Grant date	Quantity granted	Contract period	Vesting conditions
Restricted stocks to employees	2017.02.27	185,080 thousand shares	7 years	(a)(d)
Restricted stocks to employees	2021.06.15	10,045 thousand shares	6 years	(b)(d)(e)
Restricted stocks to employees	2024.09.13	9,470 thousand shares	4 years	(c)(d)(f)

- (a) A restricted stock has not vested until an employee remains the employ in the Avary Holding (Shenzhen) Co., Limited for 2 years starting from the purchase date. Shares will be vested in accordance with the number of the grantees' shares at 20% every year. For an employee who does not satisfy the vesting conditions, the employee's investment would be refunded by the Group at the lower of the investment amount or the carrying amount of net assets. However, appropriated dividend is not required to be returned.
- (b) A restricted stock has not vested until an employee remains the employ in the Avary Holding (Shenzhen) Co., Limited for 1 year starting from the purchase date. Shares will be vested in accordance with the number of the grantees' shares at 20% every year. For an employee who does not satisfy the vesting conditions, the employee's investment would be refunded by the Group at the vested price and retired.
- (c) 30%, 30%, and 40% of employee subscription right are subscribed in three installments when an employee remains in the employ of Avary Holding (Shenzhen) Co., Ltd. for 1 year starting from the subscription date. For an employee who does not satisfy the vesting conditions, the employee's investment would be refunded by the Group at the vested price and retired.
- (d) Until the achievement of the vesting conditions, the right and obligation: cannot sell, pledge, transfer, give to others, create a right in rem over it or any other disposal.
- (e) The vesting conditions of the issuance of restricted shares for employees were the annual operating revenue reached a predetermined target and employees' individual performance reached a standard level. For an employee who does not satisfy the vesting conditions, the employee's investment would be refunded by the Group at the vested price and retired.
- (f) The vested conditions of the issuance of restricted shares for employees were the annual weighted average return on equity and operating revenue reached a predetermined target and employees' individual performance reached a standard level. For an employee who does not satisfy the vesting conditions, the employee's investment would be refunded by the Group at

the vested price and retired.

B. Employee restricted stocks

The numbers of employee restricted stocks for the first time are as follows (in thousand shares):

	Years ended December 31,	
	2024	2023
Outstanding at January 1	35,437	70,874
Vested during the year	(35,437)	(35,437)
Outstanding at December 31	<u>-</u>	<u>35,437</u>

The number of employee restricted stocks for the second time are as follows (in thousand shares):

	Years ended December 31,	
	2024	2023
Outstanding at January 1	5,181	7,224
Vested during the year	- (	1,757)
Returned during the year	(59)	(286)
Outstanding at December 31	<u>5,122</u>	<u>5,181</u>

The number of employee restricted stocks for the third time are as follows (in thousand shares):

	Year ended December 31, 2024
Outstanding at January 1	-
Granted during the year	9,470
Returned during the year	(40)
Outstanding at December 31	<u>9,430</u>

C. The incremental fair value measured by using the Black-Scholes option-pricing model is as follows:

Type of arrangement	Grant date	Stock price (in RMB dollars)	Exercise price (in RMB dollars)	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit (in RMB dollars)
Restricted stocks to employees	2017.02.27	5.32	4.60	-	-	-	-	0.72
Restricted stocks to employees	2021.06.15	29.08	16.44	-	-	-	-	12.64
Restricted stocks to employees	2024.09.13	33.75	17.70	-	-	-	-	16.05

D. Expenses incurred on share-based payment transactions are shown below:

	Years ended December 31,	
	2024	2023
Expenses (reversal of) incurred on employee restricted stocks	\$ 132,088	(\$ 11,459)

(19) Share capital

A. As of December 31, 2024, the Company's authorised capital was \$16,000,000, and the issued capital was \$9,566,525, consisting of 956,652 thousand shares of ordinary share with a par value of \$10 (in New Taiwan dollars) per share.

Reconciliation between the beginning and the ending of the Company's ordinary shares outstanding is as follows:

	Years ended December 31,	
	2024	2023
	Shares in thousands	Shares in thousands
At January 1	947,049	947,049
Convertible bonds were converted into shares of common stock	9,603	-
At December 31	956,652	947,049

B. In 2024 the Company's 4th issuance of overseas unsecured convertible bonds with the amount of USD 32,500 thousand was converted into 9,603 thousand ordinary shares with a par value of \$10 (in New Taiwan dollars) per share, and the paid-in capital increased by \$96,033.

C. As of December 31, 2024, the number of shares of the Company held by the Group's subsidiary, Boardtek Electronics Corporation, was 2,093 thousand shares and the acquisition cost amounted to \$257,489 within 'treasury shares'. The treasury shares shall not be pledged to others, and the shareholders' rights shall not be enjoyed before transfer under the Securities and Exchange Act.

(20) Capital surplus

	2024							
	Additional paid-in capital arising from ordinary share	Additional paid-in capital arising from bond conversion	Share options	Expired share options	Changes in ownership interests in subsidiaries	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Treasury share transactions	Total
At January 1	\$ 10,754,926	\$ 13,624,555	\$ -	\$ 1,056,179	\$ 11,223,476	\$ 1,864,331	\$ 32,447	\$ 38,555,914
Employee restricted stocks	-	-	-	-	95,220	-	-	95,220
Issuance of overseas convertible bonds	-	-	1,015,416	-	-	-	-	1,015,416
Conversion of convertible bonds	-	949,309	(82,503)	-	-	-	-	866,806
Adjustments of capital surplus for the Company's cash dividends received bv subsidiaries	-	-	-	-	-	-	6,856	6,856
At December 31	<u>\$ 10,754,926</u>	<u>\$ 14,573,864</u>	<u>\$ 932,913</u>	<u>\$ 1,056,179</u>	<u>\$ 11,318,696</u>	<u>\$ 1,864,331</u>	<u>\$ 39,303</u>	<u>\$ 40,540,212</u>

2023

	Additional paid-in capital arising from ordinary share	Additional paid-in capital arising from bond conversion	Share options	Expired share options	Changes in ownership interests in subsidiaries	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Treasury share transactions	Total
At January 1	\$ 10,754,926	\$ 13,624,555	\$ 996,753	\$ 59,426	\$ 10,707,222	\$ 1,858,418	\$ 19,887	\$ 38,021,187
Employee restricted stocks	-	-	-	-	(6,652)	-	-	(6,652)
Expiration of stock options in convertible corporate bonds based on the redemption ratio	-	-	(996,753)	996,753	-	-	-	-
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	-	-	-	-	-	12,560	12,560
Recognition of changes in ownership interests in subsidiaries	-	-	-	-	522,906	5,913	-	528,819
At December 31	<u>\$ 10,754,926</u>	<u>\$ 13,624,555</u>	<u>\$ -</u>	<u>\$ 1,056,179</u>	<u>\$ 11,223,476</u>	<u>\$ 1,864,331</u>	<u>\$ 32,447</u>	<u>\$ 38,555,914</u>

A. Capital surplus arising from paid-in capital in excess of par value on issuance of ordinary share is used to offset accumulated losses incurred in previous years or distribute dividends to shareholders.

B. Refer to Note 6(15) for capital surplus - conversion options and capital surplus – expired share options.

C. Refer to Note 6(32) for capital surplus arising from the recognition of changes in ownership interest in subsidiaries.

(21) Retained earnings

A. In accordance with the Company's Articles of Incorporation, the Board of Directors shall set aside out of the current year's earnings sequentially as follows:

- (a) A reserve for payment of tax for the relevant financial year;
- (b) An amount to offset losses incurred in previous years;
- (c) Ten percent (10%) as a general reserve, and
- (d) A special surplus reserve as required by the applicable securities authority under the Applicable Public Company Rules or a reserve as determined by the Board of Directors.

Dividends shall not be lower than 10% of the distributable amount, and the Board of Directors can determine to distribute in cash, in shares or to distribute in both ways. However, cash dividends shall not be lower than 50% of total dividends.

In addition, cash dividends shall be distributed upon the approval of a majority of the directors present at a meeting attended by at least two-thirds or more of the total number of the directors. Share dividends can be distributed after obtaining approval from the shareholders in each accounting year.

B. On May 30, 2024 and May 30, 2023, the stockholders resolved the distribution of earnings for the years ended December 31, 2023 and 2022, respectively, as follows:

	2023		2022	
	Amount	Dividends per share (in New Taiwan dollars)	Amount	Dividends per share (in New Taiwan dollars)
Legal reserve	\$ 618,935		\$ 1,421,842	
Special reserve	2,237,783		(1,965,864)	
Cash dividends	3,101,587	3.275	5,682,295	6.00
Total	<u>\$ 5,958,305</u>		<u>\$ 5,138,273</u>	

On March 11, 2025, the Board of Directors proposed for the distribution of cash dividends from 2024 earnings amounting to \$4,591,932 at \$4.80 in New Taiwan dollars per share.

Information on the appropriation of the Company's earnings as resolved at the Board of Directors during its meeting is posted in the 'Market Observation Post System' at the website of the Taiwan Stock Exchange.

(22) Other equity interest

	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign financial statements	Total
At January 1, 2024	\$ 489,233	(\$ 5,609,453)	(\$ 5,120,220)
Valuation adjustment	(93,867)	-	(93,867)
Currency translation differences:			
–Group	-	5,024,679	5,024,679
At December 31, 2024	<u>\$ 395,366</u>	<u>(\$ 584,774)</u>	<u>(\$ 189,408)</u>

	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign financial statements	Total
At January 1, 2023	\$ 17,555	(\$ 2,899,992)	(\$ 2,882,437)
Valuation adjustment	471,678	-	471,678
Currency translation differences:			
–Group	-	(2,709,461)	(2,709,461)
At December 31, 2023	<u>\$ 489,233</u>	<u>(\$ 5,609,453)</u>	<u>(\$ 5,120,220)</u>

(23) Operating revenue

	Years ended December 31,	
	2024	2023
Revenue from contracts with customers	<u>\$ 171,663,845</u>	<u>\$ 151,398,038</u>

The Group derives revenue from the transfer of goods and services at a point in time. Refer to Note 14(5) for the Group's geographical revenue based on the countries where customers are located.

(24) Expenses by nature

	Years ended December 31,	
	2024	2023
Employee benefit expense	\$ 26,955,459	\$ 22,099,924
Depreciation expense	17,195,439	15,829,181
Amortisation expense	553,183	494,145
	<u>\$ 44,704,081</u>	<u>\$ 38,423,250</u>

The employee benefit expense includes pension gains of \$964 and \$958 which are shown within 'other gains and losses' for the years ended December 31, 2024 and 2023, respectively.

(25) Employee benefit expense

	Years ended December 31,	
	2024	2023
Wages and salaries	\$ 20,769,170	\$ 17,447,578
Employees' compensation	333,954	138,766
Labor and health insurance fees	1,289,124	1,018,069
Pension expenses	2,128,442	1,621,658
Other personnel expenses	2,434,769	1,873,853
	<u>\$ 26,955,459</u>	<u>\$ 22,099,924</u>

- A. In accordance with the Company's Articles of Incorporation, the Company shall distribute employees' compensation between zero point five percent (0.5%) and twenty percent (20%) and distribute directors' remuneration no higher than zero point five percent (0.5%) of the distributable earnings after covering accumulated losses.
- B. For the years ended December 31, 2024 and 2023, employees' compensation were accrued in the amount of \$333,954 and \$138,766, respectively; while directors' remunerations were accrued in the amount of \$55,659 and \$34,685, respectively.
- C. Employees' compensation and directors' remuneration as resolved by the Board of Directors for the years ended December 31, 2024 and 2023 were equal to the amount recognised in the financial statements for the years ended December 31, 2024 and 2023.
- D. Information on employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors and shareholders is posted in the 'Market Observation Post System' at the website of the Taiwan Stock Exchange.

(26) Interest income

	Years ended December 31,	
	2024	2023
Interest income from bank deposits	\$ 2,831,238	\$ 2,376,169
Interest income from financial assets at amortised cost	66,717	124,425
	<u>\$ 2,897,955</u>	<u>\$ 2,500,594</u>

(27) Other income

	Years ended December 31,	
	2024	2023
Government grant revenue	\$ 760,098	\$ 563,432
Others	349,362	196,516
	<u>\$ 1,109,460</u>	<u>\$ 759,948</u>

(28) Other gains and losses

	Years ended December 31,	
	2024	2023
Net currency exchange gains	\$ 1,962,474	\$ 133,045
Net (losses) gains on financial assets and liabilities at fair value through profit or loss	(170,275)	30,261
Net gains on disposal of property, plant and equipment	35,760	44,823
Impairment loss on property, plant and equipment	(1,213)	(142,303)
Loss on the repurchase of convertible bonds	-	(438,175)
Others	(44,811)	(31,361)
	<u>\$ 1,781,935</u>	<u>(\$ 403,710)</u>

(29) Finance costs

	Years ended December 31,	
	2024	2023
Interest expense		
Bank borrowings	\$ 1,686,133	\$ 1,816,002
Amortisation of convertible bond discounts	610,529	109,237
Amortisation of syndicated loan arrangement fees	12,042	14,012
Interest expense from lease liabilities	24,387	13,253
	<u>\$ 2,333,091</u>	<u>\$ 1,952,504</u>

(30) Income tax

A. Components of income tax expense:

(a) Components of income tax expense:

	Years ended December 31,	
	2024	2023
Current tax:		
Tax payable arising from the current year	\$ 2,385,832	\$ 1,884,695
Adjustments in respect of prior years	(21,016)	(274,152)
Total current tax	<u>2,364,816</u>	<u>1,610,543</u>
Deferred tax:		
Origination and reversal of temporary differences	(\$ 405,553)	\$ 130,278
Change in loss carryforwards	(10,766)	(1,124,756)
Total deferred tax	<u>(416,319)</u>	<u>(994,478)</u>
Income tax expense	<u>\$ 1,948,497</u>	<u>\$ 616,065</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Years ended December 31,	
	2024	2023
Measured at fair value through other comprehensive income from changes in fair values	(\$ 38,494)	\$ 139,585
Remeasurement of defined benefit obligations	3,676	154
	<u>(\$ 34,818)</u>	<u>\$ 139,739</u>

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2024	2023
Tax calculated based on profit before tax and statutory tax rate	\$ 2,597,368	\$ 2,454,593
Effects from items unrecognised by tax regulations	57,261	48,720
Effect of investment tax credits	(751,852)	(1,160,136)
Effects from adjustments in respect of prior years	(21,016)	(274,152)
Effects from re-evaluation of deferred tax assets	<u>66,736</u>	<u>(452,960)</u>
Income tax expense	<u>\$ 1,948,497</u>	<u>\$ 616,065</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	2024				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Net exchange differences	December 31
Temporary differences:					
-Deferred tax assets:					
Allowance for inventory valuation loss	\$ 243,262	(\$ 107,178)	\$ -	\$ 7,365	\$ 143,449
Wages and bonuses payable	416,730	(8,626)	-	13,894	421,998
Impairment loss on property, plant and equipment	256,720	(33,097)	-	21,424	245,047
Unrealised profit from sales in respect of inventory	187,961	(20,307)	-	(9,835)	157,819
Remeasurement of defined benefit obligations	4,313	107	(3,676)	-	744
Others	308,494	295,769	38,494	(1,333)	641,424
Loss carryforwards	<u>1,410,491</u>	<u>10,766</u>	<u>-</u>	<u>73,524</u>	<u>1,494,781</u>
	<u>2,827,971</u>	<u>137,434</u>	<u>34,818</u>	<u>105,039</u>	<u>3,105,262</u>
-Deferred tax liabilities:					
Taxable difference arising from property, plant and equipment	(1,437,664)	489,269	-	(69,304)	(1,017,699)
Others	(1,593,157)	(210,384)	-	(74,763)	(1,878,304)
	<u>(3,030,821)</u>	<u>278,885</u>	<u>-</u>	<u>(144,067)</u>	<u>(2,896,003)</u>
	<u>(\$ 202,850)</u>	<u>\$ 416,319</u>	<u>\$ 34,818</u>	<u>(\$ 39,028)</u>	<u>\$ 209,259</u>

2023					
		Recognised	Recognised	Net	
	January 1	in profit or loss	in other comprehensive income	exchange differences	December 31
Temporary differences:					
-Deferred tax assets:					
Allowance for inventory valuation loss	\$ 124,746	\$ 125,380	\$ -	(\$ 6,864)	\$ 243,262
Wages and bonuses payable	412,672	15,201	-	(11,143)	416,730
Impairment loss on property, plant and equipment	301,080	(40,082)	-	(4,278)	256,720
Unrealised profit from sales in respect of inventory	311,713	(121,272)	-	(2,480)	187,961
Remeasurement of defined benefit obligations	4,096	371	(154)	-	4,313
Others	1,109,383	(647,536)	(139,585)	(13,768)	308,494
Loss carryforwards	<u>313,208</u>	<u>1,124,756</u>	<u>-</u>	<u>(27,473)</u>	<u>1,410,491</u>
	<u>2,576,898</u>	<u>456,818</u>	<u>(139,739)</u>	<u>(66,006)</u>	<u>2,827,971</u>
-Deferred tax liabilities:					
Taxable difference arising from property, plant and equipment	(1,436,329)	(73,137)	-	71,802	(1,437,664)
Others	(2,210,728)	610,797	-	6,774	(1,593,157)
	<u>(3,647,057)</u>	<u>537,660</u>	<u>-</u>	<u>78,576</u>	<u>(3,030,821)</u>
	<u>(\$ 1,070,159)</u>	<u>\$ 994,478</u>	<u>(\$ 139,739)</u>	<u>\$ 12,570</u>	<u>(\$ 202,850)</u>

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2024				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2019	\$ 274,987	\$ 274,987	\$ -	2024
2020	74,232	74,232	-	2025
2021	46,431	46,431	670	2026
2022	3,365,755	3,365,755	77,367	2027
2023	4,192,179	4,192,179	1,243,987	2028
2024	1,964,228	1,964,228	-	2029
	<u>\$ 9,917,812</u>	<u>\$ 9,917,812</u>	<u>\$ 1,322,024</u>	
December 31, 2023				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2019	\$ 261,385	\$ 261,385	\$ -	2024
2020	70,560	70,560	-	2025
2021	44,134	44,134	637	2026
2022	3,199,262	3,199,262	73,540	2027
2023	3,384,499	3,384,499	1,243,698	2028
	<u>\$ 6,959,840</u>	<u>\$ 6,959,840</u>	<u>\$ 1,317,875</u>	

E. The amounts of deductible temporary differences that were not recognised as deferred tax assets are as follows:

	December 31, 2024	December 31, 2023
Deductible temporary differences	<u>\$ 7,602,649</u>	<u>\$ 7,411,714</u>
Tax effect	<u>\$ 1,698,344</u>	<u>\$ 1,656,905</u>

F. The income tax returns of the Group's subsidiaries, Zhen Ding Technology Co., Ltd., Garuda Technology Co., Ltd., Hong Kong Leading Interconnect International Limited Taiwan Branch, Boardtek Electronics Corporation and Boardtek Investment Co., Ltd., through 2022 have been assessed and approved by the Tax Authority.

G. The Group is subject to the exceptions to the requirements regarding deferred tax assets and liabilities related to recognised and pillar two income taxes and the disclosure of relevant information.

H. The Group's exposures to Pillar Two income tax arising from that legislation are described below:
The Group falls within the scope of the OECD Pillar Two framework. Japan, the place of registration of Avary Japan Co., Ltd., has promulgated Pillar Two into law, effective as of April 1, 2024. For several subsidiaries registered in Singapore, Singapore has substantively enacted Pillar Two Model Rules, to be effective in the fiscal year 2025.

According to the Model Rules, the Group will be obligated to pay Top-Up Tax, which is the difference between the effective tax rate of a jurisdiction with GloBE income and minimum rate (15%). Given the complexity of applying Pillar Two and calculating GloBE income, the average effective tax rate calculated on the accounting profit through 2024 for the aforesaid jurisdiction Japan exceeds 15%. However, these adjustments will result in a different effective tax rate than the average effective tax rate calculated in accordance with IAS 12 because of certain adjustments set out in Pillar Two. For subsidiaries in Singapore, the average effective tax rate calculated on the accounting profit through 2024 did not exceed 15%, rendering no significant impact on the financial statements for 2024 and current income tax expense. As of December 31, 2024, the Group is not exposed to significant risks related to current income tax in the aforementioned jurisdiction.

The Group is subject to the amendments to IAS 12 announced on May 23, 2023, which applies the exceptions to the requirements regarding deferred tax assets and liabilities related to recognised and pillar two income taxes and relevant information.

(31) Earnings per share

	Year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in New Taiwan dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 9,179,689</u>	<u>949,394</u>	<u>\$ 9.67</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 9,179,689	949,394	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds-overseas	610,529	106,899	
Employees' compensation	<u>-</u>	<u>3,053</u>	
Profit attributable to ordinary shareholders of the parent considering assumed conversion of all dilutive potential ordinary shares	<u>\$ 9,790,218</u>	<u>1,059,346</u>	<u>\$ 9.24</u>

Year ended December 31, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in New Taiwan dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 6,188,729</u>	<u>944,956</u>	<u>\$ 6.55</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 6,188,729	944,956	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds-overseas	109,237	45,577	
Employees' compensation	<u>-</u>	<u>2,161</u>	
Profit attributable to ordinary shareholders of the parent considering assumed conversion of all dilutive potential ordinary shares	<u>\$ 6,297,966</u>	<u>992,694</u>	<u>\$ 6.34</u>

As employees' compensation might be distributed in the form of shares, the diluted EPS is calculated based on the assumption that all distribution will be in the form of shares in the calculation of the weighted-average number of ordinary shares outstanding during the reporting period, taking into account the dilutive effects of stock bonus on potential ordinary shares.

(32) Transactions with non-controlling interest

A. The subsidiary buys back treasury shares and the Group's shareholding ratio changes

- (a) In December 2023, the Group's subsidiary, Avary Holding (Shenzhen) Co., Limited, repurchased 9,469,000 of its shares with amount of \$869,100, which caused the Group's shareholding ratio to increase to 0.29%. The carrying amount of non-controlling interest in Avary Holding (Shenzhen) Co., Limited was \$615,749 at the repurchase date. This transaction resulted in a decrease in the non-controlling interest by \$615,749 and a decrease in the equity attributable to owners of the parent by \$253,351.
- (b) The effect of changes in interests in the Group on the equity attributable to owners of the parent for the year ended December 31, 2023 is shown below:

	Year ended December 31, 2023
Carrying amount of non-controlling interest acquired	\$ 615,749
Consideration paid to non-controlling interest	(869,100)
Capital surplus	
- recognition of changes in ownership interests in subsidiaries	(\$ 253,351)

B. Disposal of ownership interest in the subsidiary without losing control

- (a) In April 2023, the Group's subsidiary, Monterey Park Finance Limited, disposed the share equity of Leading Interconnect International Limited to Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd., resulting to a decrease in the Group's shareholding ratio to 32.83% in the amount of \$2,556. The carrying amount of non-controlling interest in the Group was \$3,357 at the disposal date. This transaction resulted in an increase in the non-controlling interest by \$3,357 and a decrease in the equity attributable to owners of the parent by \$5,913.
- (b) The effect of changes in interests in the Group on the equity attributable to owners of the parent for the year ended December 31, 2023 is shown below:

	Year ended December 31, 2023
Carrying amount disposed to non-controlling interest	\$ 1,934
Consideration paid from non-controlling interest	2,556
Other equity interest (e.g., as financial statements translation differences of foreign operations)	1,423
Capital surplus - difference between consideration and carrying amount of subsidiaries acquired or disposed	\$ 5,913

C. The Group did not participate in the capital increase raised by a subsidiary proportionally to its interest to the subsidiary

- (a) In the first half of 2023, the Group's subsidiary, Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd., has increased its capital by issuing new shares. As the Group did not acquire shares proportionately, the shareholding ratio decreased by 3.77%. Abovementioned transaction resulted in an increase in the non-controlling interest by \$1,031,776 and an increase in the equity attributable to owners of the parent by \$749,893.
- (b) The effect of changes in interests in the Group on the equity attributable to owners of the parent for the year ended December 31, 2023 is shown below:

	Year ended December 31, 2023
Cash	\$ 1,781,669
Increase in the carrying amount of non-controlling interest	(1,031,776)
Capital surplus - recognition of changes in ownership interest in subsidiaries	<u>\$ 749,893</u>

(33) Additional information of cash flows

A. Investing activities with partial cash payments

	Years ended December 31,	
	2024	2023
Acquisition of property, plant and equipment	\$ 16,783,155	\$ 23,310,636
Add: Opening balance of payable on machinery and equipment (within 'other payables')	7,443,454	9,870,079
Less: Ending balance of payable on machinery and equipment (within 'other payables')	(7,339,279)	(7,443,454)
Net exchange differences	(630,352)	(18,744)
Cash paid during the year	<u>\$ 16,256,978</u>	<u>\$ 25,718,517</u>

B. Financing activities without cash flow effects

	Year ended December 31, 2024
Convertible bonds converted to ordinary share	\$ 96,033
Capital surplus	
Additional paid-in capital arising from bonds conversion	949,309
Share options	(82,503)
Convertible bonds converted to equity	<u>\$ 962,839</u>

C. Changes in liabilities from financing activities

	2024					
	Short-term borrowings	Lease liabilities	Bonds payable	Long-term borrowings	Guarantee deposits received	Total liabilities from financing activities
At January 1	\$ 33,853,082	\$ 1,213,656	\$ -	\$ 19,276,604	\$ 10,807,276	\$ 65,150,618
Changes in cash flow from financing activities	(13,157,358)	(292,562)	12,468,383	3,178,018	(3,099,257)	(902,776)
Share options arising from convertible bonds	-	-	(1,015,416)	-	-	(1,015,416)
Conversion of convertible bonds	-	-	(962,839)	-	-	(962,839)
Changes in right-of-use assets	-	134,033	-	-	-	134,033
Amortisation on interest expense	-	24,387	610,529	12,042	-	646,958
Effect of exchange rate changes	<u>1,010,717</u>	<u>39,990</u>	<u>500,947</u>	<u>1,276,518</u>	<u>618,371</u>	<u>3,446,543</u>
At December 31	<u>\$ 21,706,441</u>	<u>\$ 1,119,504</u>	<u>\$ 11,601,604</u>	<u>\$ 23,743,182</u>	<u>\$ 8,326,390</u>	<u>\$ 66,497,121</u>

	2023					
	Short-term borrowings	Lease liabilities	Bonds payable	Long-term borrowings	Guarantee deposits received	Total liabilities from financing activities
At January 1	\$ 16,819,556	\$ 423,659	\$ 11,738,105	\$ 16,800,920	\$ 10,162,913	\$ 55,945,153
Changes in cash flow from financing activities	17,359,753	(113,073)	(12,465,792)	2,626,975	709,379	8,117,242
Changes in right-of-use assets	-	884,563	-	-	-	884,563
Losses on redemption of convertible bonds	-	-	438,175	-	-	438,175
Losses on disposals of right-of-use assets	-	320	-	-	-	320
Amortisation on interest expense	-	13,253	109,237	14,012	-	136,502
Effect of exchange rate changes	(326,227)	4,934	180,275	(165,303)	(65,016)	(371,337)
At December 31	<u>\$ 33,853,082</u>	<u>\$ 1,213,656</u>	<u>\$ -</u>	<u>\$ 19,276,604</u>	<u>\$ 10,807,276</u>	<u>\$ 65,150,618</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties and relationship	Relationship with the Company
Hon Hai Precision Industry Co., Ltd. and its subsidiaries	The entity has significant influence over the Group
CyberTAN Technology Inc. and its subsidiaries	Other related party
Ennoconn Corporation and its subsidiaries	Other related party
Foxconn Interconnect Technology Limited and its subsidiaries	Other related party
General Interface Solution Holding Limited and its subsidiaries	Other related party
Zhen Ding Education Foundation	Other related party
Saha Pathana Inter-Holding PCL	Other related party
Guangdong Zhanyang Intelligent Equipment Co., Limited	Associate

(2) Significant related party transactions and balances

A. Sales:

	Years ended December 31,	
	2024	2023
Sales of goods:		
Entity with significant influence over the Group	\$ 7,700,594	\$ 6,923,529
Other related parties	3,488,125	3,449,675
	<u>\$ 11,188,719</u>	<u>\$ 10,373,204</u>

Unless there are similar transactions, the prices and terms were determined in accordance with mutual agreements. Otherwise, the sales prices and credit terms to related parties were similar to third parties. The normal credit term is around 1 to 4 months.

B. Purchases:

	Years ended December 31,	
	2024	2023
Purchases of goods:		
Entity with significant influence over the Group	\$ 285,243	\$ 307,088
Other related parties	5,236,826	4,694,945
Associates	2,816	2,476
	<u>\$ 5,524,885</u>	<u>\$ 5,004,509</u>

Unless the prices and terms were determined in accordance with mutual agreements due to no similar transactions, the purchase prices and payment terms to related parties were similar to third parties. The normal payment term is around 1 to 4 months.

C. Operating expense - donation:

	Years ended December 31,	
	2024	2023
Zhen Ding Education Foundation	<u>\$ 52,500</u>	<u>\$ 22,000</u>

D. Accounts receivable:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts receivable - related parties:		
Entity with significant influence over the Group	\$ 2,594,391	\$ 2,278,174
Other related parties	<u>678,315</u>	<u>1,173,678</u>
	3,272,706	3,451,852
Less: Allowance for bad debts	(<u>9,818</u>)	(<u>26,321</u>)
	<u>\$ 3,262,888</u>	<u>\$ 3,425,531</u>

E. Notes and accounts payable:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts payable - related parties:		
Entity with significant influence over the Group	\$ 27,181	\$ 14,368
Other related parties	1,033,964	1,047,020
Associates	<u>472</u>	<u>647</u>
	<u>\$ 1,061,617</u>	<u>\$ 1,062,035</u>

F. Property transactions:

Acquisition of property, plant and equipment

	<u>Year ended December 31, 2023</u>
Other related party	<u>\$ 803,660</u>

There were no significant property transactions with related parties for the year ended December 31, 2024.

(3) Key management compensation

	<u>Years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Short-term employee benefits	<u>\$ 257,422</u>	<u>\$ 149,815</u>

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

<u>Pledged assets</u>	<u>Carrying amount</u> <u>December 31, 2024</u>	<u>Carrying amount</u> <u>December 31, 2023</u>	<u>Pledged assets</u>
Other current assets			
- Demand deposits	\$ -	\$ 11,961	Court freezes deposits
- Time deposits with maturity of over three months	4,879	4,627	Tariff guarantee
Other non-current assets			
- Demand deposits	277,655	257,163	Reserve accounts for long-term loans
- Time deposits with maturity of over one year	29,274	27,762	Tariff guarantee
	<u>\$ 311,808</u>	<u>\$ 301,513</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. Capital expenditure contracted for at the balance sheet date but not yet paid is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Property, plant and equipment	<u>\$ 31,915,272</u>	<u>\$ 36,338,105</u>

B. The amount of unused letters of credit for the acquisition of property, plant and equipment is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Unused letters of credit	<u>\$ 936,188</u>	<u>\$ 2,136,945</u>

10. SIGNIFICANT DISASTER LOSS

On January 5, 2025, a fire broke out in the subsidiary, Boardtek Electronics Corporation. Refer to Note 11(1) for details.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

(1) On January 5, 2025, a fire broke out in the subsidiary, Boardtek Electronics Corporation, which resulted in the destruction of some of its inventory, property, plant and equipment. Currently, the Company is actively processing the insurance claim valuation. Based on the initial assessment, the Group will not incur significant losses after considering the claim amount.

(2) The appropriations of 2024 earnings were proposed by the Board of Directors on March 11, 2025. Refer to Note 6(21).

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares when convertible bonds are converted, or issue new shares for consideration to achieve optimal capital structure.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
Financial assets at amortised cost	\$ 111,100,279	\$ 95,774,844
Financial assets at fair value through profit or loss	1,753,687	1,752,487
Financial assets at fair value through other comprehensive income	<u>1,768,742</u>	<u>1,714,386</u>
	<u>\$ 114,622,708</u>	<u>\$ 99,241,717</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost	\$ 106,235,405	\$ 101,790,370
Lease liabilities	<u>1,119,504</u>	<u>1,213,656</u>
	<u>\$ 107,354,909</u>	<u>\$ 103,004,026</u>

Note: Financial assets at amortised cost including cash and cash equivalents, accounts receivable (including related parties), other receivables, other current assets, and other non-current assets-demand deposits and time deposits with maturity of over one year; financial liabilities at amortised cost including short-term borrowings, accounts payable (including related parties), other payables, current portion of long-term liabilities, bonds payable, long-term borrowings and guarantee deposits received.

B. Risk management policies

(a) Risk categories:

The Group employs a comprehensive risk management and control system to clearly identify, measure, and control the various kinds of financial risk it faces, including market risk (including foreign exchange risk, interest rate risk and price risk), credit risk, and liquidity risk.

(b) Management objectives:

- i. Except for market risk, which is controlled by outside factors, the remainder of the foregoing types of risks can be eliminated through internal controls or operational procedures. Therefore, the goal in managing each of these risks is to reduce them to zero.

- ii. As for market risk, the goal is to optimise its overall position through strict analysis, suggestion, execution and audit processes, and proper consideration of trends in the external economic/financial environment, internal operating conditions and the actual effects of market fluctuations.
- iii. The Group's overall risk management policy focuses on the unpredictable item of financial markets and seeks to reduce the potential adverse effects on the Group's financial position and financial performance.
- iv. The Group uses derivative financial instruments. Please refer to Note 6 for details.

(c) Management system:

- i. Risk management is carried out by a central treasury department (the Group treasury) under policies approved by the Board of Directors. The Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units.
- ii. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and RMB. Foreign exchange risk arises from (a) the timing of recognition for accounts receivable, accounts payable, borrowings, and payables on machinery and equipment denominated in non-functional currencies is different, (b) recognised assets and liabilities and (c) net investments in foreign operations. Since the transacting currencies are different from functional currencies, foreign exchange risks arise.
- ii. Management has set up a policy to require all subsidiaries within the Group to manage their foreign exchange risk against their functional currency. However, the overall foreign exchange risk is managed by the Group treasury for hedging.
- iii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

- iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: USD; other certain subsidiaries' functional currency: RMB or NTD) so it is impacted by the exchange rate fluctuations. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

(Foreign currency: functional currency)	December 31, 2024			Year ended December 31, 2024	
	Foreign currency amount	Exchange rate	Carrying amount (In thousands of NTD)	Sensitivity analysis	
	(In thousands)			Degree of variation	Effect on comprehensive income
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	243,322	32.785	\$ 7,977,312	1%	\$ 79,773
USD:RMB	2,475,223	7.1884	81,150,186	1%	811,502
<u>Net effect in consolidated entities with foreign currency</u>					
USD:NTD	4,051,593	32.785	\$ 132,831,477	1%	\$ 1,328,315
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	91,796	32.785	\$ 3,009,532	1%	\$ 30,095
USD:RMB	872,768	7.1884	28,613,685	1%	286,137
JPY:RMB	3,314,952	0.0462	698,992	1%	6,990

(Foreign currency: functional currency)	December 31, 2023			Year ended December 31, 2023	
	Foreign currency amount	Exchange rate	Carrying amount (In thousands of NTD)	Sensitivity analysis	
	(In thousands)			Degree of variation	Effect on comprehensive income
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	245,854	30.705	\$ 7,548,947	1%	\$ 75,489
USD:RMB	2,089,721	7.0827	64,164,883	1%	641,649
<u>Net effect in consolidated entities with foreign currency</u>					
USD:NTD	3,949,355	30.705	\$ 121,264,945	1%	\$ 1,212,649
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	81,276	30.705	\$ 2,495,580	1%	\$ 24,956
USD:RMB	685,712	7.0827	21,054,794	1%	210,548
JPY:RMB	9,398,739	0.0502	2,121,028	1%	21,210

- v. Refer to Note 6(28) for the total exchange gains including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2024 and 2023.

Interest rate risk for cash flow and fair value

The Group's interest rate risk arises from borrowings. Borrowings at floating rates expose the Group to interest rate risk of cash flow, which is partially offset by cash and cash equivalents held at floating rates.

Based on the simulations performed, the impact on after-tax profit of a quarter-point shift would be a maximum increase or decrease of \$113,670 and \$132,896 for the years ended December 31, 2024 and 2023, respectively. The simulation is based on a quarterly basis to ensure that the maximum potential loss is within the limit given by the management.

The financial assets at amortised cost held by the Group are fixed rate products, and their changes of fair value arise from changes in market interest rate. However, the Group would hold the financial assets to the maturity because of the return at the effective rates for the duration, thus, there are no gains or losses on disposal or valuation arising from change in fair value.

Price risk

The Group's investments in equity securities comprise domestic listed stocks which are classified as investments in financial assets at fair value through other comprehensive income. The price of equity securities would be affected by the uncertainty of the future value of underlying investment. However, the Group expects the price fluctuations do not have significant impact on the price of equity securities.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments.

According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.

Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored. Credit risk arises from cash and cash equivalents, derivative financial instruments and other financial instruments, and is managed and monitored by the Group treasury. The clients and counterparties are government organisations, banks with high credit quality and financial institutions with investment grade; thus, there is no significant default risk and critical credit risk.

- ii. The Group assesses whether there has been a significant increase in credit risk on that instrument since initial recognition:
 - (i) If the contract payments were more than 30 days past due based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
 - (ii) If the credit rating grade of an underlying investment degrades two grades, there has been a significant increase in credit risk on that instrument since initial recognition.
- iii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

- iv. The default occurs when the contract payments are more than 90 days past due.
- v. The credit quality information of financial assets that are neither overdue nor impaired is as follows:

Cash and cash equivalents

The Group transacts with a variety of financial institutions with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

Financial assets at amortised cost

The Group's investments in debt instruments classified as financial assets at amortised cost have low credit risk, and the carrying amount is measured as the expected credit loss for the 12 months following the balance sheet date.

Accounts receivable (including related parties)

- (i) The Group applies the following approaches to assess the expected credit losses (the 'ECLs') of accounts receivable:
1. Assess the ECLs on an individual basis if a significant default has occurred to certain customers.
 2. Classify the other customers' accounts receivable based on the Group's credit rating standards and estimate the ECLs using the loss rate methodology or provision matrix.
 3. Adjust the loss rates derived from historical and recent information by taking into account the business cycle indicators of the National Development Council and forecasts of the Basel Committee on Banking Supervision.
 4. As of December 31, 2024 and 2023, the individual provision for impairment of accounts receivable using loss rate methodology or provision matrix is as follows:

	<u>Individual</u>	<u>Group 1</u>	<u>Group 2</u>	<u>Group 3</u>	<u>Group 4</u>	<u>Total</u>
<u>December 31, 2024</u>						
Expected loss rate		0.03%	0.07%	0.1%~1%	1%~5%	
Total carrying amount	\$ -	\$20,643,544	\$6,326,228	\$1,679,272	\$1,625,020	\$30,274,064
Loss allowance	\$ -	(\$ 6,193)	(\$ 4,428)	(\$ 16,793)	(\$ 63,529)	(\$ 90,943)
	<u>Individual</u>	<u>Group 1</u>	<u>Group 2</u>	<u>Group 3</u>	<u>Group 4</u>	<u>Total</u>
<u>December 31, 2023</u>						
Expected loss rate		0.03%	0.07%	0.1%~1%	1%~5%	
Total carrying amount	\$ -	\$19,813,793	\$5,351,165	\$1,597,040	\$2,574,596	\$29,336,594
Loss allowance	\$ -	(\$ 5,944)	(\$ 3,746)	(\$ 15,970)	(\$ 82,056)	(\$ 107,716)

Group 1: Standard Poor's, Fitch Ratings or Moody's ratings in A category, or A category rated based on the Group's Credit Quality Control Policy for those that have no external credit ratings.

Group 2: Standard Poor's or Fitch Ratings in BBB category, Moody's ratings in Baa category, or in B or C category rated based on the Group's Credit Quality Control

Policy for those that have no external credit ratings.

Group 3: Standard Poor's or Fitch Ratings in BB+ category or below, or Moody's ratings in Bal category or below.

Group 4: Having no external agency rating. Ratings other than A, B, or C based on the Group's Credit Quality Control Policy.

(ii) Movements on allowance for accounts receivable adopting the modified approach (including related parties) are as follows:

	Years ended December 31,	
	2024	2023
Opening balance	\$ 107,716	\$ 99,631
(Reversal of) provision for impairment	(20,263)	10,104
Write off	(1,687)	-
Net exchange differences	5,177	(2,019)
Ending balance	<u>\$ 90,943</u>	<u>\$ 107,716</u>

Other receivables

The Group's subsidiaries incorporated in Mainland China are engaged in export sales. Under local regulations, the subsidiaries are entitled to tax benefits on VAT exemption, deduction and refund on the exports of goods. The subsidiaries calculate VAT refund and deductible amounts based on monthly sales by product types. The subsidiaries' counterparties and performing parties are mainly government organisations, so the possibility of default is remote. The Group's other accounts receivable of (\$85) and \$104 for the years ended December 31, 2024 and 2023 was recognised as (losses) gain on reversal of expected credit loss.

Financial assets at fair value through other comprehensive income

The equity securities issuer has high credit quality and the Group controls its credit risk through transaction limits control and critical assessment of credit rating levels, so it expects that the probability of default is remote.

Financial assets at fair value through profit or loss

The bond securities issuer has high credit quality and the Group controls its credit risk through transaction limits control and critical assessment of credit rating levels, so it expects that the probability of default is remote.

(c) Liquidity risk

- i. Cash flow forecasting is performed by each entity in the Group and aggregated by the Group treasury. The Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient undrawn committed borrowing facilities (Note 6) at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting

takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and applicable external regulatory or legal requirements, such as foreign currency restrictions.

ii. The Group has the following undrawn borrowing facilities:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Expiring within one year	\$ 108,909,309	\$ 65,290,494
Expiring over one year	<u>10,753,996</u>	<u>15,245,429</u>
	<u>\$ 119,663,305</u>	<u>\$ 80,535,923</u>

iii. The following table analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the following table are the contractual undiscounted cash flows. The remaining period of corporate bonds payable is expressed as the period between the balance sheet date and the redeemable date by holders. Except those listed in the following table, all of the Group's derivative and nonderivative financial liabilities will attain maturity within one year:

Non-derivative financial liabilities:

<u>December 31, 2024</u>	<u>Within one year</u>	<u>Over one year</u>	<u>Total</u>
Bonds payable (Note 1)	\$ -	\$ 14,243,722	\$ 14,243,722
Long-term borrowings (Note 2)	2,408,969	26,671,289	29,080,258
Guarantee deposits received	3,513,419	4,812,971	8,326,390
Lease liabilities	<u>252,273</u>	<u>1,184,825</u>	<u>1,437,098</u>
	<u>\$ 6,174,661</u>	<u>\$ 46,912,807</u>	<u>\$ 53,087,468</u>

Non-derivative financial liabilities:

<u>December 31, 2023</u>	<u>Within one year</u>	<u>Over one year</u>	<u>Total</u>
Long-term borrowings (Note 2)	\$ 2,219,834	\$ 22,742,908	\$ 24,962,742
Guarantee deposits received	4,749,340	6,057,936	10,807,276
Lease liabilities	<u>242,525</u>	<u>1,307,312</u>	<u>1,549,837</u>
	<u>\$ 7,211,699</u>	<u>\$ 30,108,156</u>	<u>\$ 37,319,855</u>

Note 1: Please refer to Note 6(15) for the conditions of issuance of bonds payable.

Note 2: Including imputed interest payable.

iv. The Group does not expect the timing of occurrence of the cash flows estimated through the

maturity date will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(d) Cash flow risk of changes from interest rate

For the Group's borrowings at floating rates, the effective interest rate changes according to market interest rates. However, the working capital of the Group is sufficient to hedge the cash flow risk due to changes in interest rate. Furthermore, the Group's borrowings as fixed rates and lease payable have no cash flow risk due to changes in market interest rate.

(3) Information on fair value

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Inputs that are quoted prices (unadjusted) in active markets for identical assets or liabilities. A market is regarded as active if it meets all the following conditions: the items traded in the market are homogeneous; willing buyers and sellers can normally be found at any time; and prices are available to the public. The fair value of the Group's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (e.g., as prices) or indirectly (e.g., derived from prices). The fair value of the Group's investment in derivative instruments is included in Level 2.

Level 3: Inputs for the asset or liability that are not based on observable market data.

B. Fair value information of investment property at cost is provided in Note 6(10).

C. Financial instruments not measured at fair value

(a) Except those listed in the following table, the carrying amounts of the Group's financial instruments not measured at fair value approximate to their fair values, including cash and cash equivalents, financial assets at amortised cost—time deposits with maturity of over three months, financial assets at amortised cost—guaranteed income financial products, accounts receivable (including related parties), other receivables, other current assets, other non-current assets—time deposits with maturity of over one year, short-term borrowings, accounts payable (including related parties), other payables, lease liabilities, and long-term borrowings is a reasonable approximation of fair value:

	Carrying amount	December 31, 2024		
		Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 11,601,604	\$ -	\$ 13,099,580	\$ -
Guarantee deposits received	8,326,390	-	8,257,440	-
Total	<u>\$ 19,927,994</u>	<u>\$ -</u>	<u>\$ 21,357,020</u>	<u>\$ -</u>

	December 31, 2023			
	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Guarantee deposits received	<u>\$ 10,807,276</u>	<u>\$ -</u>	<u>\$ 10,731,085</u>	<u>\$ -</u>

(b) The methods and assumptions of fair value measurement are as follows:

- i. Bonds payable: Regarding the convertible bonds issued by the Group, the fair value is estimated based on the expected cash flows using the present value and market rate.
- ii. Guarantee deposits received: The fair value is estimated using the present value of the expected cash flows. The discount rate refers to the fixed interest rate of postal savings for a one-year time deposit.

D. Financial instruments measured at fair value

(a) The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

<u>December 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss	<u>\$ -</u>	<u>\$ 263,250</u>	<u>\$ 1,490,437</u>	<u>\$ 1,753,687</u>
Financial assets at fair value through other comprehensive income	<u>\$ 730,499</u>	<u>\$ -</u>	<u>\$ 1,038,243</u>	<u>\$ 1,768,742</u>
<u>December 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss	<u>\$ -</u>	<u>\$ 370,097</u>	<u>\$ 1,382,390</u>	<u>\$ 1,752,487</u>
Financial assets at fair value through other comprehensive income	<u>\$ 924,944</u>	<u>\$ -</u>	<u>\$ 789,442</u>	<u>\$ 1,714,386</u>

(b) The methods and assumptions that the Group used to measure fair value are as follows:

- i. The instruments the Group used market quoted prices as their fair values (i.e., Level 1).
- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in

substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

- iii. When assessing non-standard and low-complexity financial instruments, for example, foreign exchange swap contracts, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
- v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- vi. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

E. The movements on Level 3 for the years ended December 31, 2024 and 2023 are as follows:

	Years ended December 31,			
	2024		2023	
	Financial assets		Financial assets	
	Financial assets	at fair value	Financial assets	at fair value
	at fair value	through other	at fair value	through other
	through profit	comprehensive	through profit	comprehensive
	or loss-debt	income-equity	or loss-debt	income-equity
	securities	securities	securities	securities
Opening balance	\$ 1,382,390	\$ 789,442	\$ 1,272,508	\$ 555,835
Acquisition of financial assets	187,069	135,500	111,339	195,427
Income distribution	(26,027)	-	(7,923)	-
Unrealised (losses) gains from financial assets	(46,179)	4,830	23,465	192,858
Transfers out from level 3	-	-	-	(144,884)
Others	(65,008)	67,933	-	-
Net exchange differences	<u>58,192</u>	<u>40,538</u>	<u>(16,999)</u>	<u>(9,794)</u>
Ending balance	<u>\$ 1,490,437</u>	<u>\$ 1,038,243</u>	<u>\$ 1,382,390</u>	<u>\$ 789,442</u>

- (a) External appraiser is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in accordance with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

(b) The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value as of December 31, 2024	Valuation technique	Significant unobservable input	Range [weighted average]	Relationship of inputs to fair value
Equity securities:					
Unlisted shares	\$ 26,206	Market comparable companies	Enterprise value to EBIT multiple Price to net value multiple	2.54~12.59 [4.48] 0.81~1.96 [1.60]	The higher the EBIT, the higher the fair value The higher the net value of stocks, the higher the fair value
Unlisted shares	161,674	Market comparable companies	Enterprise value to EBIT multiple	6.23~16.59 [13.77]	The higher the EBIT, the higher the fair value
Unlisted shares	33,325	Market comparable companies	Price-to- Sales ratio	2.13~10.65 [4.28]	The higher the sale price, the higher the fair value
Unlisted shares	334,624	Market comparable companies	Price-to- Sales ratio	2.18~10.96 [6.10]	The higher the sale price, the higher the fair value
Unlisted shares	39,202	Market comparable companies	Price to net value multiple	17.32~44.77 [36.09]	The higher the net value of stocks, the higher the fair value
			Price-to- Sales ratio	0.89~4.07 [2.28]	The higher the sale price, the higher the fair value
Unlisted shares	45,836	Market comparable companies	Enterprise value to EBIT multiple	13.42~44.31 [20.38]	The higher the EBIT, the higher the fair value

	Fair value as of December 31, 2024	Valuation technique	Significant unobservable input	Range [weighted average]	Relationship of inputs to fair value
Unlisted shares	28,959	Market comparable companies	Enterprise value to EBIT multiple	9.39~23.30 [15.45]	The higher the EBIT, the higher the fair value
Unlisted shares	109,589	Market comparable companies	Enterprise value to EBIT multiple	15.45~50.26 [26.62]	The higher the EBIT, the higher the fair value
Unlisted shares	122,003	Market comparable companies	Price-to- Sales ratio	3.42~13.49 [7.68]	The higher the sale price, the higher the fair value
			Stock price volatility	40.96%	The higher the stock price volatility, the higher the fair value
Unlisted shares	<u>136,825</u>	The last transaction price	Not applicable	Not applicable	Not applicable
	<u>\$ 1,038,243</u>				
Debt securities:					
Private fund	\$ 1,005,730	Net asset value	Not applicable	Not applicable	Not applicable
Private fund	172,369	Net asset value	Not applicable	Not applicable	Not applicable
Unlisted partnership share	<u>312,338</u>	Net asset value	Not applicable	Not applicable	Not applicable
	<u>\$ 1,490,437</u>				

	Fair value as of December 31, 2023	Valuation technique	Significant unobservable input	Range [weighted average]	Relationship of inputs to fair value
Equity securities:					
Unlisted shares	\$ 25,622	Market comparable companies	Enterprise value to EBIT multiple Price to net value multiple	3.20~13.96 [6.19] 0.96~2.18 [1.36]	The higher the EBIT, the higher the fair value The higher the net value of stocks, the higher the fair value
Unlisted shares	186,538	Market comparable companies	Enterprise value to EBIT multiple	6.52~22.63 [13.96]	The higher the EBIT, the higher the fair value
Unlisted shares	23,058	Market comparable companies	Price-to- Sales ratio	2.25~12.15 [4.59]	The higher the sale price, the higher the fair value
Unlisted shares	223,524	Market comparable companies	Price-to- Sales ratio	2.22~9.13 [4.20]	The higher the sale price, the higher the fair value
			Stock price volatility	46.27%	The higher the stock price volatility, the higher the fair value
Unlisted shares	28,362	Market comparable companies	Price to net value multiple	1.20~3.15 [2.99]	The higher the net value of stocks, the higher the fair value
			Price-to- Sales ratio	1.66~9.79 [2.01]	The higher the sale price, the higher the fair value
Unlisted shares	127,629	Market comparable companies	Enterprise value to EBIT multiple	21.20~44.74 [28.98]	The higher the EBIT, the higher the fair value

	Fair value as of December 31, 2023	Valuation technique	Significant unobservable input	Range [weighted average]	Relationship of inputs to fair value
Unlisted shares	66,329	Market comparable companies	Enterprise value to EBIT multiple	7.08~62.59 [30.80]	The higher the EBIT, the higher the fair value
Unlisted shares	<u>108,380</u>	The last transaction price	Not applicable	Not applicable	Not applicable
	<u>\$ 789,442</u>				
Debt securities:					
Private fund	\$ 1,005,416	Net asset value	Not applicable	Not applicable	Not applicable
Private fund	187,709	Net asset value	Not applicable	Not applicable	Not applicable
Unlisted partnership share	64,762	Net asset value	Not applicable	Not applicable	Not applicable
Unlisted partnership share	<u>124,503</u>	Net asset value	Not applicable	Not applicable	Not applicable
	<u>\$ 1,382,390</u>				

- (c) The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, the use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			Year ended December 31, 2024			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Debt instrument	Enterprise value to EBIT multiple, etc.	±1%	\$ 14,904	(\$ 14,904)	\$ -	\$ -
Equity instrument		±1%	-	-	10,382	(10,382)
			<u>\$ 14,904</u>	<u>(\$ 14,904)</u>	<u>\$ 10,382</u>	<u>(\$ 10,382)</u>
			Year ended December 31, 2023			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Debt instrument	Enterprise value to EBIT multiple, etc.	±1%	\$ 13,824	(\$ 13,824)	\$ -	\$ -
Equity instrument		±1%	-	-	7,894	(7,894)
			<u>\$ 13,824</u>	<u>(\$ 13,824)</u>	<u>\$ 7,894</u>	<u>(\$ 7,894)</u>

- F. For the years ended December 31, 2024 and 2023, there was no transfer between Level 1 and Level 2.
- G. For the years ended December 31, 2024 and 2023, there was no transfer into or out from Level 3.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

(The portions of transaction information with the investees were based on the financial statements of the investees for the same period which were audited by independent auditors. All the transactions with subsidiaries disclosed below had been eliminated in the consolidated financial statements. The disclosure information below is for reference only.)

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of securities at the end of the period (excluding the investment in subsidiaries, associates and joint ventures): Please refer to table 3.

D. Aggregate purchases or sales of the same securities reaching NT \$300 million or 20% of paid-in capital or more: Refer to table 4.

E. Acquisition of real estate reaching NT \$300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching NT \$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching NT \$100 million or 20% of paid-in capital or more: Please refer to table 5.

H. Receivables from related parties reaching NT \$100 million or 20% of paid-in capital or more: Please refer to table 6.

I. Trading in derivative financial instruments: None.

J. The business relationship and significant transactions between the parent company and the subsidiaries and between each subsidiary: Please refer to table 7.

(2) Information on investees

(The portions of transaction information with the investees were based on the financial statements of the investees for the same period which were audited by independent auditors. All the transactions with subsidiaries disclosed below had been eliminated in the consolidated financial statements. The disclosure information below is for reference only.)

Names, locations and other information of investee companies (excluding the investees in Mainland China.) : Please refer to table 8.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 9.

B. Significant transactions with the investees in Mainland China either directly or indirectly through other companies in the third areas: None.

(4) Information on major shareholders information

Information on major shareholders information: Please refer to table 10.

14. SEGMENT INFORMATION

(1) General information

The Group is engaged in the manufacturing of various types of PCB products. The chief operating

decision-maker considered the business and operations from the product perspective. Currently, the Group only discloses one reportable segment as all operating segments meet the aggregation criteria. In allocating resources and assessing performance of the Group, the chief operating decision-maker uses operating segments' revenue and net income which reflects internal cost and expense allocation. Except for inter-segment charges which were determined based on the Group's internal policy, accounting policies of operating segments are in agreement with Note 4, 'Summary of material accounting policies'.

(2) Reportable segment information

Information on reportable segment provided to the chief operating decision maker is as follows:

	Years ended December 31,	
	2024	2023
Revenue from external customers	\$ 171,663,845	\$ 151,398,038
Inter-segment revenue	-	-
Segments' revenue	<u>\$ 171,663,845</u>	<u>\$ 151,398,038</u>
Measure of segment profit	<u>\$ 12,113,527</u>	<u>\$ 9,504,962</u>

(3) Reconciliation of reportable segment's revenue and measure of profit and loss

Sales between segments are carried out at fair value. The revenue from external parties reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

The reconciliation from total reportable segment's revenue to the enterprise income and from segment profit from reportable segment to the net income for the year is as follows:

	Years ended December 31,	
	2024	2023
Reportable segment's revenue	<u>\$ 171,663,845</u>	<u>\$ 151,398,038</u>
	Years ended December 31,	
	2024	2023
Reportable segment's profit	\$ 12,113,527	\$ 9,504,962
Interest income and finance costs	564,864	548,090
Net foreign exchange gains	1,962,474	133,045
Net gains on disposal of property, plant and equipment	35,760	44,823
Net (losses) gains on financial assets and liabilities at fair value through profit or loss	(170,275)	30,261
Others	(1,409,872)	(829,328)
Profit	<u>\$ 13,096,478</u>	<u>\$ 9,431,853</u>

(4) Information on products and services

Revenues from external customers are primarily from the manufacturing of PCB products as

follows:

	Years ended December 31,	
	2024	2023
Revenues from the manufacturing PCB products	<u>\$ 171,663,845</u>	<u>\$ 151,398,038</u>

(5) Geographical information

Geographical information for the years ended December 31, 2024 and 2023 is as follows:

	Years ended December 31,			
	2024		2023	
	Revenue	Non-current assets	Revenue	Non-current assets
U.S.A	\$ 131,931,450	\$ -	\$ 115,437,640	\$ -
Mainland China	22,015,718	103,992,388	19,273,062	103,650,552
Taiwan	8,593,759	15,540,211	7,823,060	13,372,525
Singapore	1,681,023	-	1,190,169	-
Others	<u>7,441,895</u>	<u>7,301,934</u>	<u>7,674,107</u>	<u>5,291,304</u>
Total	<u>\$ 171,663,845</u>	<u>\$ 126,834,533</u>	<u>\$ 151,398,038</u>	<u>\$122,314,381</u>

The Group's geographical revenue is based on the countries where customers are located. Non-current assets are property, plant, equipment, right-of-use assets, investment property, intangible assets and other non-current assets.

(6) Major customer information

Major customer information of the Group for the years ended December 31, 2024 and 2023 is as follows:

	Years ended December 31,			
	2024		2023	
	Revenue	Segment	Revenue	Segment
Company B	<u>\$ 129,857,683</u>	Manufacturing of PCB products	<u>\$ 114,003,859</u>	Manufacturing of PCB products

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES

LOANS TO OTHERS

FOR THE YEAR ENDED DECEMBER 31, 2024

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No.	Lender	Borrower	General ledger account	Related party	Maximum outstanding balance during the year ended December 31, 2024 (Note 3)	Balance at December 31, 2024 (Note 4)	Actual amount drawn down	Interest rate range	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Notes 1 & 2)	Limit on total lender's loans granted (Notes 1 & 2)	Footnote
1	Mayco Industrial Limited	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Other receivables	Yes	\$ 4,589,900	\$ 3,934,200	\$ 2,551,427	3.45%-6.56%	Short-term financing	\$ -	Operation requirements	\$ -	None	\$ -	\$ 528,260,582	\$ 739,564,815	
1	Mayco Industrial Limited	Leading Interconnect International Limited	Other receivables	Yes	983,550	983,550	98,355	6.29%	Short-term financing	-	Operation requirements	-	None	-	528,260,582	739,564,815	
1	Mayco Industrial Limited	BoardTek Electronics Corporation	Other receivables	Yes	1,639,250	983,550	-	-	Short-term financing	-	Operation requirements	-	None	-	42,260,847	42,260,847	
1	Mayco Industrial Limited	Zhen Ding Technology Co., Ltd.	Other receivables	Yes	3,278,500	3,278,500	-	-	Short-term financing	-	Operation requirements	-	None	-	42,260,847	42,260,847	
1	Mayco Industrial Limited	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Other receivables	Yes	4,589,900	4,589,900	2,294,950	6.25%-6.56%	Short-term financing	-	Operation requirements	-	None	-	42,260,847	42,260,847	
2	Pacific Fair International Limited	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Other receivables	Yes	1,967,100	1,967,100	983,550	1.8116%	Short-term financing	-	Operation requirements	-	None	-	86,007,321	120,410,249	
2	Pacific Fair International Limited	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Other receivables	Yes	2,950,650	1,967,100	1,767,472	3.10%-4.3954%	Short-term financing	-	Operation requirements	-	None	-	6,880,586	6,880,586	

No.	Lender	Borrower	General ledger account	Related party	Maximum outstanding balance during the year ended December 31, 2024 (Note 3)	Balance at December 31, 2024 (Note 4)	Actual amount drawn down	Interest rate range	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Notes 1 & 2)	Limit on total lender's loans granted (Notes 1 & 2)	Footnote
					Item	Value											
3	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Other receivables	Yes	\$ 1,368,246	\$ 1,368,246	\$ 1,140,205	3.10%	Short-term financing	\$ -	Operation requirements	\$ -	None	\$ -	\$ 1,709,392	\$ 1,709,392	
4	Garuda International Limited	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Other receivables	Yes	655,700	-	-	-	Short-term financing	-	Operation requirements	-	None	-	37,703,882	52,785,435	
4	Garuda International Limited	Avary Technology (India) Private Limited	Other receivables	Yes	2,622,800	2,622,800	-	-	Short-term financing	-	Operation requirements	-	None	-	37,703,882	52,785,435	
4	Garuda International Limited	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Other receivables	Yes	1,639,250	-	-	-	Short-term financing	-	Operation requirements	-	None	-	37,703,882	52,785,435	
4	Garuda International Limited	Garuda Technology Co., Ltd.	Other receivables	Yes	3,278,500	1,967,100	1,639,250	4.74866%-4.77105%	Short-term financing	-	Operation requirements	-	None	-	3,016,311	3,016,311	
5	Avary Holding (Shenzhen) Co., Limited	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Other receivables	Yes	2,280,410	-	-	-	Short-term financing	-	Operation requirements	-	None	-	58,595,843	58,595,843	
5	Avary Holding (Shenzhen) Co., Limited	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Other receivables	Yes	11,402,050	9,121,640	5,602,967	3.10%-3.45%	Short-term financing	-	Operation requirements	-	None	-	58,595,843	58,595,843	
5	Avary Holding (Shenzhen) Co., Limited	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Other receivables	Yes	6,841,230	4,560,820	912,164	3.35%-3.45%	Short-term financing	-	Operation requirements	-	None	-	58,595,843	58,595,843	
5	Avary Holding (Shenzhen) Co., Limited	Yu Ding Precision Electronics (Huaian) Co.,Ltd.	Other receivables	Yes	228,041	-	-	-	Short-term financing	-	Operation requirements	-	None	-	58,595,843	58,595,843	

No.	Lender	Borrower	General ledger account	Related party	Maximum outstanding balance during the year ended December 31, 2024 (Note 3)	Balance at December 31, 2024 (Note 4)	Actual amount drawn down	Interest rate range	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Notes 1 & 2)	Limit on total lender's loans granted (Notes 1 & 2)	Footnote
6	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Other receivables	Yes	\$ 2,280,410	\$ 2,280,410	\$ 1,094,597	3.10%	Short-term financing	\$ -	Operation requirements	\$ -	None	\$ -	\$ 157,469,913	\$ 220,457,878	
6	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Other receivables	Yes	2,280,410	2,280,410	1,368,246	3.10%-3.35%	Short-term financing	-	Operation requirements	-	None	-	157,469,913	220,457,878	

Note 1: The total loans of the Company and subsidiaries granted to others is limited to 50% of the Company's net asset based on the latest audited or reviewed consolidated financial statements, and:

- (a) Total financial limit on loans granted to the companies having business relationship with the Company is 10% of the Company's net assets, financial limit on loans granted to a single party is the higher value of purchasing and selling during current year on the year of financing and 10% of the Company's net asset based on the latest audited or reviewed consolidated financial statements.
- (b) Limit on total loans to parties with short-term financing is 40% of the Company's net asset; but limit on loans to a single party is 40% of the Company's net asset based on the latest audited or reviewed consolidated financial statements.

Note 2: Limit on loans granted by a listed subsidiary to a single listed subsidiary of which the Company directly or indirectly holds 100% of its voting shares, or limit on loans to the Company granted by a listed foreign subsidiary which the Company directly or indirectly holds 100% of its voting share, are not restricted to the limit on loans of 40% of the Company's net assets.

In accordance with the Company's "Procedures for Provision of Endorsements and Guarantees", limit on total loans granted by a listed subsidiary to listed subsidiaries of which the Company directly or indirectly holds 100% of its voting shares, or limit on total loans to the Company granted by listed foreign subsidiaries which the Company directly or indirectly holds 100% of its voting share are 700% of the Company's net asset based on the latest audited or reviewed consolidated financial statements. In accordance with the Company's "Procedures for Provision of Endorsements and Guarantees", limit on loans granted by a listed subsidiary to a single listed subsidiary of which the Company directly or indirectly holds 100% of its voting shares, or limit on loans to the Company granted by a listed foreign subsidiary which the Company directly or indirectly holds 100% of its voting share are 500% of the Company's net asset based on the latest audited or reviewed consolidated financial statements.

Note 3: The maximum outstanding balance of loans to others for the year ended the balance sheet date.

Note 4: The credit line to this company was approved by the Board of Directors. In accordance with each subsidiary's "Procedures for Provision of Endorsements and Guarantees", when there are financing needs between the listed foreign subsidiaries which the Company directly or indirectly holds 100% of their voting shares or between a listed foreign subsidiary which the Company directly or indirectly holds 100% of its voting shares and the Company, the financing periods will not be limited in one year but shall not exceed three years.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
PROVISION OF ENDORSEMENTS AND GUARANTEES TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2024

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount for the year ended December 31, 2024 (Note 5)	Outstanding endorsement/ guarantee amount at December 31, 2024 (Note 6)	Actual amount drawn down (Note 7)	Amount of endorsements / guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 4)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 8)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 8)	Provision of endorsements/ guarantees to the party in Mainland China (Note 8)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	Zhen Ding Technology Holding Limited	BoardTek Electronics Corporation	2	\$ 32,645,471	\$ 11,860,000	\$ 11,860,000	\$ 4,425,000	\$ -	10.90%	\$ 108,818,238	Y	N	N	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories:

(1) Having business relationship.

(2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.

(4) The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.

(5) Mutual guarantee of the trade as required by the construction contract.

(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

Note 3: The limit on endorsements / guarantees provided to a single entity: The limit on endorsements / guarantees provided to a single entity is 30% of the net assets of the parent company.

Note 4: The total amount of endorsements/ guarantees: The total amount of endorsements/ guarantees provide to others by the Company is limited to 100% of net assets of the parent company.

Note 5: The year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 6: Once endorsement/guarantee contracts or promissory notes are signed/issued by the endorser/guarantor company to the banks, the endorser/guarantor company bears endorsement/guarantee liabilities.

And all other events involve endorsements and guarantees should be included in the balance of outstanding endorsements and guarantees.

Note 7: The actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 8: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES

HOLDING OF MARKETABLE SECURITIES AT THE END OF THE PERIOD (NOT INCLUDING SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)

DECEMBER 31, 2024

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2024				Footnote (Note 4)
				Number of shares	Carrying amount (Note 3)	Ownership (%)	Fair value	
Zhen Ding Technology Co., Ltd.	Synpower Co., Ltd.	None	Financial assets at fair value through other comprehensive income	1,733,697	\$ 129,334	5.27%	\$ 129,334	
Avary Holding (Shenzhen) Co., Limited	Jiangsu Aisen Semiconductor Material Co., Ltd.	None	Financial assets at fair value through other comprehensive income	2,600,000	469,107	2.95%	469,107	
Avary Holding Investment (Shenzhen) Co., Ltd.	Sixpure Intellignet Technology (Dongguan) Co., Ltd.	None	Financial assets at fair value through other comprehensive income	1,461,039	161,674	3.55%	161,674	
Avary Holding Investment (Shenzhen) Co., Ltd.	Sanying Precision Instruments Co., Ltd.	None	Financial assets at fair value through other comprehensive income	1,212,009	132,058	3.58%	132,058	
Avary Holding Investment (Shenzhen) Co., Ltd.	Sanying Precision Instruments (Tianjin) Co., Ltd.	None	Financial assets at fair value through other comprehensive income	540,580	33,325	5.18%	33,325	
Avary Holding Investment (Shenzhen) Co., Ltd.	Wuxi iData Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income	1,729,439	334,624	3.46%	334,624	
Avary Holding Investment (Shenzhen) Co., Ltd.	Hubei Omar Electronics Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income	2,370,000	39,202	3.60%	39,202	
Avary Holding Investment (Shenzhen) Co., Ltd.	Shenzhen Hangsheng Electronics Co., Ltd.	None	Financial assets at fair value through other comprehensive income	1,000,000	28,959	3.36%	28,959	
Avary Holding Investment (Shenzhen) Co., Ltd.	Hostar Intelligence Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income	900,000	45,836	2.11%	45,836	
Avary Holding Investment (Shenzhen) Co., Ltd.	Guangdong De Ju Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income	759,532	109,589	1.03%	109,589	
Avary Holding Investment (Shenzhen) Co., Ltd.	Shenzhen Jaguar Microsystems Co.,Ltd.	None	Financial assets at fair value through other comprehensive income	55,322	136,825	0.40%	136,825	
BoardTek Electronics Corporation	Chipboard Technology Corporation	None	Financial assets at fair value through other comprehensive income	1,337,068	26,206	15.60%	26,206	
Zhuhai Hengqin Avary Investment Limited Partnership	Shanghai Gantu Technology Limited	None	Financial assets at fair value through other comprehensive income	372,655	<u>122,003</u>	3.73%	122,003	
					<u>\$ 1,768,742</u>			
Avary Holding (Shenzhen) Co., Limited	Jingning Dingqing Electronic Technology Limited Partnership	None	Financial assets at fair value through profit or loss	-	\$ 263,250	18.91%	\$ 263,250	
Avary Holding Investment (Shenzhen) Co., Ltd.	Beijing Chenyi M&A Fund	None	Financial assets at fair value through profit or loss	-	1,005,730	2.94%	1,005,730	
Avary Holding Investment (Shenzhen) Co., Ltd.	Primavera Jingzhi (Beijing) Equity Investment Fund L.P.	None	Financial assets at fair value through profit or loss	-	312,338	20.00%	312,338	
Zhen Ding Technology Co., Ltd.	Zoyi Capital Investment Fund II L.P	None	Financial assets at fair value through profit or loss	-	<u>172,369</u>	10.59%	172,369	
					<u>\$ 1,753,687</u>			

Note 1: In accordance with IFRS 9, 'Financial instruments', marketable securities in the table refer to shares, bonds, beneficiary certificates and other related derivative securities.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES

ACQUISITION OR SALE OF THE SAME SECURITY WITH THE ACCUMULATED COST EXCEEDING \$300 MILLION OR 20% OF THE COMPANY'S PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2024		Addition (Note 3)		Number of shares	Disposal (Note 3)		Carrying amount (Note 5)	Gain (loss) on disposal (Note 4)	Balance as at December 31, 2024	
					Number of shares	Amount (Note 5)	Number of shares	Amount		Selling price				Number of shares	Amount (Note 5)
Garuda International Limited	Avary Singapore Private Limited	Investments accounted for using equity method	Avary Singapore Private Limited	Fellow subsidiary	-	\$ 217,671	-	\$ 321,316	-	\$ -	\$ -	-	\$ -	-	\$ 270,367
Avary Singapore Private Limited	Peng Shen Technology (Thailand) Co.,Ltd.	Investments accounted for using equity method	Peng Shen Technology (Thailand) Co.,Ltd.	Fellow subsidiary	-	1,040,411	-	1,134,677	-	-	-	-	-	-	1,532,186

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leave the columns blank.

Note 3: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT\$300 million or 20% of paid-in capital or more.

Note 4: It is non-controlling interest transactions, gain or loss on disposal were accounted as capital surplus, difference between consideration and carrying amount of subsidiaries acquired or disposed.

Note 5: Including gain or loss on investment and adjustment not proportionate to ownership.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
PURCHASES OR SALES OF GOODS FROM OR TO RELATED PARTIES REACHING NT\$100 MILLION OR 20% OF PAID-IN CAPITAL OR MORE
FOR THE YEAR ENDED DECEMBER 31, 2024

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Avary Holding (Shenzhen) Co., Limited	Garuda International Limited	An indirect wholly-owned subsidiary	Sales	\$ 60,655,920	88	60 days from the shipping date	Note 2	Note 2	\$ 18,757,818	87	
Avary Holding (Shenzhen) Co., Limited	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	Sales	3,442,353	5	90 days from the shipping date	Note 2	Note 2	691,130	3	
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda International Limited	An indirect wholly-owned subsidiary	Sales	39,852,091	85	90 days from the shipping date	Note 2	Note 2	13,255,301	87	
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	Sales	5,093,043	11	90 days from the shipping date	Note 2	Note 2	1,138,486	7	
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	Sales	1,419,366	3	90 days from the shipping date	Note 2	Note 2	532,712	3	
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Qing Ding Precision Electronics (Huaian) Co., Ltd.	An indirect wholly-owned subsidiary	Sales	239,278	1	90 days from the shipping date	Note 2	Note 2	67,688	-	
Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Garuda International Limited	An indirect wholly-owned subsidiary	Sales	5,697,184	83	60 days from the shipping date	Note 2	Note 2	1,702,040	83	
Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	Sales	658,232	10	90 days from the shipping date	Note 2	Note 2	138,418	7	
Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	Sales	264,963	4	90 days from the shipping date	Note 2	Note 2	114,988	6	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Qing Ding Precision Electronics (Huaian) Co., Ltd.	An indirect wholly-owned subsidiary	Sales	\$ 133,003	2	90 days from the shipping date	Note 2	Note 2	\$ 75,669	4	
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda International Limited	An indirect wholly-owned subsidiary	Sales	57,096,426	95	60 days from invoice date	Note 2	Note 2	19,020,897	96	
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	Sales	1,237,639	2	90 days from the shipping date	Note 2	Note 2	244,417	1	
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	Sales	806,723	1	90 days from the shipping date	Note 2	Note 2	341,638	2	
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	An indirect wholly-owned subsidiary	Sales	307,079	1	90 days from the shipping date	Note 2	Note 2	3,324	-	
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Avary Technology (India) Private Limited	An indirect wholly-owned subsidiary	Sales	439,443	1	90 days from the shipping date	Note 2	Note 2	617	-	
Avary Technology (India) Private Limited	Garuda International Limited	An indirect wholly-owned subsidiary	Sales	685,874	49	60 days from the shipping date	Note 2	Note 2	118,124	42	
Kui Sheng Technology (Shenzhen) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	Sales	1,324,023	100	90 days from the shipping date	Note 2	Note 2	375,065	100	
Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Leading Interconnect International Limited	An indirect wholly-owned subsidiary	Sales	565,114	18	90 days from the shipping date	Note 2	Note 2	149,261	14	
Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Leading Interconnect International Limited	An indirect wholly-owned subsidiary	Sales	4,520,787	72	90 days from the shipping date	Note 2	Note 2	1,290,532	75	
Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	An indirect wholly-owned subsidiary	Sales	813,605	13	90 days from the shipping date	Note 2	Note 2	46,935	3	

Table 5, Page 2

			Differences in transaction terms compared to third party transactions									
Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction						Notes/accounts receivable (payable)			Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)		
Garuda International Limited	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	Sales	\$ 9,119,646	6	90 days from the first day of next month of shipping	Note 2	Note 2	\$ 2,976,132	10		
Garuda International Limited	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	An indirect wholly-owned subsidiary	Sales	3,412,537	2	90 days from the first day of next month of shipping	Note 2	Note 2	3,324,542	11		
Garuda International Limited	Qing Ding Precision Electronics (Huaian) Co., Ltd.	An indirect wholly-owned subsidiary	Sales	8,582,334	5	90 days from the first day of next month of shipping	Note 2	Note 2	2,530,054	8		
Garuda International Limited	BoardTek Electronics Corporation	An indirect wholly-owned subsidiary	Sales	1,400,382	1	90 days from the first day of next month of shipping	Note 2	Note 2	472,952	2		
Garuda International Limited	Avary Technology (India) Private Limited	An indirect wholly-owned subsidiary	Sales	602,363	-	90 days from the first day of next month of shipping	Note 2	Note 2	242,717	1		
Garuda International Limited	Foxconn (Far East) and subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Sales	6,297,962	4	90 days from the first day of next month of shipping	Note 2	Note 2	2,271,488	7		
Garuda International Limited	General Interface Solution Holding Limited and subsidiaries	An investee company accounted for under the equity method of Hon Hai Precision Industry Co., Ltd.	Sales	293,347	-	60 days from the first day of next month of shipping	Note 2	Note 2	1,497	-		
Garuda Technology Co., Ltd.	General Interface Solution Holding Limited and subsidiaries	An investee company accounted for under the equity method of Hon Hai Precision Industry Co., Ltd.	Sales	3,181,318	28	90 days from the first day of next month of shipping	Note 2	Note 2	675,157	28		
BoardTek Electronics Corporation	Foxconn (Far East) and subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Sales	663,347	11	90 days from the first day of next month of shipping	Note 2	Note 2	156,362	11		
Avary Technology (India) Private Limited	Foxconn (Far East) and subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Sales	716,140	51	90 days from the first day of next month of shipping	Note 2	Note 2	160,875	57		
Avary Holding (Shenzhen) Co., Limited	Foxconn (Far East) and subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Purchases	110,694	-	90 days from invoice date	Note 2	Note 2	(8,774)	-		

Table 5, Page 3

							Differences in transaction terms compared to third party transactions				Notes/accounts receivable (payable)	
Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction								Footnote	
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)		
Avary Holding (Shenzhen) Co., Limited	Foxconn Interconnect Technology Limited and subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Purchases	\$ 2,496,143	5	90 days from invoice date	Note 2	Note 2	(\$ 794,424)	7		
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	General Interface Solution Holding Limited and subsidiaries	An investee company accounted for under the equity method of Hon Hai Precision Industry Co., Ltd.	Purchases	2,124,951	8	30 days from invoice date	Note 2	Note 2	(36,239)	-		
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Foxconn Interconnect Technology Limited and subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Purchases	581,283	2	90 days from invoice date	Note 2	Note 2	(203,163)	3		
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Foxconn (Far East) and subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Purchases	112,818	-	45 days from invoice date	Note 2	Note 2	(16,375)	-		

Note 1: The opposite related party transactions are not disclosed.

Note 2: Unless the transaction terms were determined in accordance with mutual agreements due to no similar transactions, the transaction terms to related parties were similar to third parties.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
RECEIVABLES FROM RELATED PARTIES REACHING NT\$100 MILLION OR 20% OF PAID-IN CAPITAL OR MORE
DECEMBER 31, 2024

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship	Receivables from related parties as of December 31,	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			2024		Amount	Action taken		
Avary Holding (Shenzhen) Co., Limited	Garuda International Limited	An indirect wholly-owned subsidiary	\$ 18,757,818	3	\$ -	-	\$ 8,258,644	\$ -
Avary Holding (Shenzhen) Co., Limited	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	691,130	4	-	-	336,512	-
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda International Limited	An indirect wholly-owned subsidiary	13,255,301	4	-	-	4,012,529	-
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	1,138,486	4	-	-	638,091	-
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	532,712	3	1,257	Subsequent collection	216,534	-
Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Garuda International Limited	An indirect wholly-owned subsidiary	1,702,040	4	-	-	639,007	-
Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	138,418	5	-	-	62,464	-
Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	114,988	2	1,406	Subsequent collection	59,272	-
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda International Limited	An indirect wholly-owned subsidiary	19,020,897	3	-	-	8,976,371	-
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	244,417	4	-	-	123,531	-

Creditor	Counterparty	Relationship	Receivables from related parties as of December 31,		Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts			
			2024			Amount	Action taken					
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	\$	341,638	3	\$	148	Subsequent collection	\$	145,195	\$	-
Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Leading Interconnect International Limited	An indirect wholly-owned subsidiary		149,261	1		-	-		58,090		-
Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Leading Interconnect International Limited	An indirect wholly-owned subsidiary		1,290,532	4		-	-		496,784		-
Avary Technology (India) Private Limited	Garuda International Limited	An indirect wholly-owned subsidiary		118,124	3		-	-		62,970		-
Kui Sheng Technology (Shenzhen) Limited	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary		375,065	4		-	-		152,842		-
Garuda International Limited	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary		2,976,132	4		76,538	Subsequent collection		1,432,827		-
Garuda International Limited	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	An indirect wholly-owned subsidiary		3,324,542	2		-	-		30,266		-
Garuda International Limited	Qing Ding Precision Electronics (Huaian) Co., Ltd.	An indirect wholly-owned subsidiary		2,530,054	4		-	-		946,886		-
Garuda International Limited	BoardTek Electronics Corporation	An indirect wholly-owned subsidiary		472,952	6		79,541	Subsequent collection		105,064		-
Garuda International Limited	Avary Technology (India) Private Limited	An indirect wholly-owned subsidiary		242,717	4		10,845	Subsequent collection		-		-

Creditor	Counterparty	Relationship	Receivables from related parties as of December 31,	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			2024		Amount	Action taken		
Garuda International Limited	Foxconn (Far East) and subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	\$ 2,271,488	3	\$ 5,457	Subsequent collection	\$ 561,524	\$ -
Garuda Technology Co., Ltd.	General Interface Solution Holding Limited and subsidiaries	An investee company accounted for under the equity method of Hon Hai Precision Industry Co., Ltd.	675,157	4	-	-	236,772	-
BoardTek Electronics Corporation	Foxconn (Far East) and subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	156,362	4	3,169	Subsequent collection	27,706	-
Avary Technology (India) Private Limited	Foxconn (Far East) and subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	160,875	3	-	-	32,218	-

As to receivables from loans to related parties exceeding NT\$100 million or 20% of issued capital, please refer to Table 1.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
SIGNIFICANT INTER-COMPANY TRANSACTIONS DURING THE REPORTING PERIOD
FOR THE YEAR ENDED DECEMBER 31, 2024

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 4)
				General ledger account	Amount (Note 3)	Transaction terms	
1	Mayco Industrial Limited	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	3	Other receivables	\$ 2,551,427	Note 5	1
1	Mayco Industrial Limited	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	3	Other receivables	2,294,950	"	1
2	Pacific Fair International Limited	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	3	Other receivables	983,550	"	-
2	Pacific Fair International Limited	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	3	Other receivables	1,767,472	"	1
3	Avary Holding (Shenzhen) Co., Limited	Garuda International Limited	3	Sales	60,655,920	Note 8	35
3	Avary Holding (Shenzhen) Co., Limited	Garuda International Limited	3	Accounts receivable	18,757,818	"	7
3	Avary Holding (Shenzhen) Co., Limited	Garuda Technology Co., Ltd.	3	Sales	3,442,353	Note 7	2
3	Avary Holding (Shenzhen) Co., Limited	Garuda Technology Co., Ltd.	3	Accounts receivable	691,130	"	-
3	Avary Holding (Shenzhen) Co., Limited	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	3	Other receivables	5,602,967	Note 5	2
3	Avary Holding (Shenzhen) Co., Limited	Qing Ding Precision Electronics (Huaian) Co., Ltd.	3	Other receivables	912,164	"	-
4	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda International Limited	3	Sales	39,852,091	Note 8	23
4	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda International Limited	3	Accounts receivable	13,255,301	"	5
4	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	3	Sales	1,419,366	Note 9	1
4	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	3	Accounts receivable	532,712	"	-
4	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda Technology Co., Ltd.	3	Sales	5,093,043	Note 7	3
4	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda Technology Co., Ltd.	3	Accounts receivable	1,138,486	"	-

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 4)
				General ledger account	Amount (Note 3)	Transaction terms	
4	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Qing Ding Precision Electronics (Huaian) Co., Ltd.	3	Sales	\$ 239,278	Note 7	-
4	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Qing Ding Precision Electronics (Huaian) Co., Ltd.	3	Other receivables	1,368,246	Note 5	1
4	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	3	Other receivables	1,094,597	"	-
5	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Garuda International Limited	3	Sales	5,697,184	Note 8	3
5	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Garuda International Limited	3	Accounts receivable	1,702,040	"	1
5	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	3	Sales	264,963	Note 9	-
5	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	3	Accounts receivable	114,988	"	-
5	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	3	Sales	658,232	Note 7	-
5	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	3	Accounts receivable	138,418	"	-
5	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Qing Ding Precision Electronics (Huaian) Co., Ltd.	3	Sales	133,003	Note 9	-
6	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda International Limited	3	Sales	57,096,426	Note 8	33
6	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda International Limited	3	Accounts receivable	19,020,897	"	7
6	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	3	Sales	806,723	Note 9	-
6	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	3	Accounts receivable	341,638	"	-
6	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	3	Sales	307,079	"	-
6	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	3	Sales	1,237,639	Note 7	1

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 4)
				General ledger account	Amount (Note 3)	Transaction terms	
6	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	3	Accounts receivable	\$ 244,417	Note 7	-
6	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Avary Technology (India) Private Limited	3	Sales	439,443	"	-
7	Kui Sheng Technology (Shenzhen) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	3	Sales	1,324,023	"	1
7	Kui Sheng Technology (Shenzhen) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	3	Accounts receivable	375,065	"	-
8	Garuda International Limited	Avary Holding (Shenzhen) Co., Limited	3	Sales	9,119,646	Note 6	5
8	Garuda International Limited	Avary Holding (Shenzhen) Co., Limited	3	Accounts receivable	2,976,132	"	1
8	Garuda International Limited	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	3	Sales	3,412,537	"	2
8	Garuda International Limited	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	3	Accounts receivable	3,324,542	"	1
8	Garuda International Limited	Qing Ding Precision Electronics (Huaian) Co., Ltd.	3	Sales	8,582,334	"	5
8	Garuda International Limited	Qing Ding Precision Electronics (Huaian) Co., Ltd.	3	Accounts receivable	2,530,054	"	1
8	Garuda International Limited	BoardTek Electronics Corporation	3	Sales	1,400,382	"	1
8	Garuda International Limited	BoardTek Electronics Corporation	3	Accounts receivable	472,952	"	-
8	Garuda International Limited	Avary Technology (India) Private Limited	3	Sales	602,363	"	-
8	Garuda International Limited	Avary Technology (India) Private Limited	3	Accounts receivable	242,717	"	-
8	Garuda International Limited	Garuda Technology Co., Ltd.	3	Other receivables	1,639,250	Note 5	1
9	Avary Technology (India) Private Limited	Garuda International Limited	3	Sales	685,874	Note 6	-

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 4)
				General ledger account	Amount (Note 3)	Transaction terms	
9	Avary Technology (India) Private Limited	Garuda International Limited	3	Accounts receivable	\$ 118,124	Note 6	-
10	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Leading Interconnect International Limited	3	Sales	565,114	"	-
10	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Leading Interconnect International Limited	3	Accounts receivable	149,261	"	-
11	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	3	Sales	813,605	"	-
11	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	3	Other receivables	1,140,205	Note 5	-
11	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Leading Interconnect International Limited	3	Sales	4,520,787	Note 6	3
11	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Leading Interconnect International Limited	3	Accounts receivable	1,290,532	"	-

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Only the related party transactions exceeding the amount of NT \$100 million or 20% paid-in capital are disclosed, and the opposite related party transactions are not disclosed.

Note 4: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is calculated based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts. All the transactions had been eliminated in the consolidated financial statements.

Note 5: Nature of other receivables and other payables are loans to (from) others. Please refer to Note 13(1) A for interest rate and limit on loans.

Note 6: The prices and terms to related parties were similar to third parties. Credit term is 90 days from the first day of next month of shipping.

Note 7: The prices and terms to related parties were similar to third parties. Credit term is 90 days from the shipping date.

Note 8: The prices and terms to related parties were similar to third parties. Credit term is 60 days from the shipping date.

Note 9: The prices and terms to related parties were similar to third parties. Credit term is 30 days from the shipping date.

Note 10: The prices and terms to related parties were similar to third parties. Credit term is 60 days from the received date.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTEEES

FOR THE YEAR ENDED DECEMBER 31, 2024

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held at December 31, 2024			Net profit (loss) of the investee for the year ended December 31, 2024	Investment income (loss) recognised by the Company for the year ended December 31, 2024		Footnote
				Balance at December 31, 2024	Balance at December 31, 2023	Number of shares	Ownership (%)	Carrying amount		December 31, 2024	December 31, 2024	
				\$	\$				\$	\$		
The Company	Monterey Park Finance Limited	British Virgin Islands	Investment holding	\$ 32,006,356	\$ 32,006,356	976,250,000	100	\$ 128,459,691	\$ 11,097,083	\$ 11,097,954		
The Company	Zhen Ding Technology Co., Ltd.	Taiwan	Trading	125,488	125,488	12,548,800	100	1,952,182 (	62,737) (	62,737)		
The Company	BoardTek Electronics Corporation	Taiwan	Manufacturing	6,712,771	6,712,771	215,918,453	100	3,746,242 (	321,021) (	390,659)		
The Company	Zhen Ding Technology Singapore Private Limited	Singapore	Investment holding	983,550	983,550	30,000,000	100	988,068	32,161	32,161		
Monterey Park Finance Limited	Coppertone Enterprises Limited	British Virgin Islands	Investment holding	3,369,833	3,369,833	102,785,806	100	105,652,506	10,901,201	10,900,177		
Monterey Park Finance Limited	Pacific Fair International Limited	Hong Kong	Investment holding	8,966,698	8,966,698	2,133,300,000	100	17,201,464	1,290,573	1,290,573		
Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Leading Interconnect International Limited	Hong Kong	Trading	-	-	1	66 (	132,370) (	81,522) (	53,738)		
Coppertone Enterprises Limited	Mayco Industrial Limited	Hong Kong	Investment holding	39,181,614	39,181,614	9,321,841,932	100	105,652,116	10,901,344	10,901,344		
Zhen Ding Technology Co., Ltd.	FAT Holdings Limited	Cayman Islands	Investment holding	164	164	5,000	100	137,515	38,464	38,464		
BoardTek Electronics Corporation	BoardTek Investment Co., Ltd.	Taiwan	Investment	-	248,294	-	-	-	5,449	5,449	Note 1	
Avary Holding (Shenzhen) Co., Limited	Garuda International Limited	Hong Kong	Trading	1,934,315	1,934,315	460,200,000	72	5,064,355 (	2,096,409) (	1,442,984)		

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held at December 31, 2024			Net profit (loss) of the investee for the year ended December 31, 2024	Investment income (loss) recognised by the Company for the year ended December 31, 2024		Footnote
				Balance at December 31, 2024	Balance at December 31, 2023	Number of shares	Ownership (%)	Carrying amount				
Avary Holding (Shenzhen) Co., Limited	Avary Singapore Private Limited	Singapore	Investment holding	\$ 2,102,502	\$ 2,102,502	64,130,000	52	\$ 693,508	(\$ 708,342)		(\$ 368,403)	
Garuda International Limited	Avary Singapore Private Limited	Singapore	Investment holding	1,960,566	819,625	59,800,714	20	270,367	(708,342)	(	143,624)	
Garuda International Limited	Garuda Technology Co., Ltd.	Taiwan	Trading	1,525,000	1,525,000	152,500,000	72	542,738	(764,842)	(	552,690)	
Garuda International Limited	Avary Japan Co., Ltd	Japan	Trading	-	22,773	-	-	-	(502)	(	363)	Note 2
Garuda International Limited	Peng Shen Technology (Thailand) Co.,Ltd.	Thailand	Manufacturing	10	10	100	-	17	(60,190)		-	
Avary Singapore Private Limited	Peng Shen Technology (Thailand) Co.,Ltd.	Thailand	Manufacturing	2,182,062	1,047,385	22,499,900	65	1,532,186	(60,190)	(	39,158)	
Avary Singapore Private Limited	Avary Technology (India) Private Limited	India	Manufacturing	1,786,294	1,786,294	457,646,510	72	(626,195)	(646,821)	(	468,138)	
FAT Holdings Limited	Zhen Ding Technology India Private Limited	India	Manufacturing	24	24	6,250	63	(364)	(80)	(	50)	
Zhen Ding Technology Singapore Private Limited	Zhen Ding Technology India Private Limited	India	Manufacturing	15	15	3,750	37	(213)	(80)	(	29)	
FAT Holdings Limited	Zhen Ding Developer India Private Limited	India	Property management	25	25	6,250	-	-	31,805		-	
Zhen Ding Technology Singapore Private Limited	Zhen Ding Developer India Private Limited	India	Property management	819,690	819,690	210,003,750	100	926,490	31,805		31,805	

Note 1: Boardtek Electronics Corporation merged with Boardtek Investment Co., Ltd. on August 15, 2024.

Note 2: Avary Japan Co., Ltd. completed the settlement in the third quarter of 2024.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2024

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 2)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Net profit (loss) of investee for the year ended December 31, 2024	Ownership held directly or indirectly by the Company	Investment income (loss) recognised by the Company for the year ended December 31, 2024 (Note 3)	Carrying amount of investments as of December 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Manufacture and sales of PCB	\$ 10,665,278	2	\$ -	\$ -	\$ -	\$ -	\$ 7,427,870	72	\$ 5,387,376	\$ 22,582,052	\$ -	
Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Manufacture and sales of PCB	4,225,541	2	-	-	-	-	161,368	72	117,759	338,778	-	
Avary Holding (Shenzhen) Co., Limited	Manufacture and sales of PCB	10,574,539	2	-	-	-	-	16,363,924	72	11,814,092	105,947,217	-	Note 4
Fu Bo Industrial (Shenzhen) Co., Ltd.	Manufacture and sales of PCB	502,009	2	-	-	-	-	68,142	72	49,256	525,300	-	
Yu Ding Precision Electronics (Huaian) Co., Ltd.	Manufacture and sales of PCB	-	2	-	-	-	-	3,761	72	2,719	-	-	Note 5
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Manufacture and sales of PCB	15,513,731	2	-	-	-	-	4,777,293	72	3,409,618	25,906,216	-	

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 2)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Net profit (loss) of investee for the year ended December 31, 2024	Ownership held directly or indirectly by the Company	Investment income (loss) recognised by the Company for the year ended December 31, 2024 (Note 3)	Carrying amount of investments as of December 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Zhuhai Hengqin Avary Investment Limited Partnership	Investment of business	\$ 74,876	2	\$ -	\$ -	\$ -	\$ -	(\$ 2)	72	(\$ 1)	\$ 78,616	\$ -	
Kui Sheng Technology (Shenzhen) Limited	Manufacture and sales of PCB	91,216	2	-	-	-	-	20,314	72	14,846	162,511	-	
Huaian Jia Wei Industrial Development Co., Ltd.	Manufacture and sales of Building materials, Furniture and hardware tools	744,269	2	-	-	-	-	3,683	100	3,683	746,262	-	
Huaian ChengXin Park Management Co., Ltd.	Property management business	205,237	2	-	-	-	-	252	85	215	1,323,121	-	
Avary Holding Investment (Shenzhen) Co., Ltd.	Investment of business	2,100,258	2	-	-	-	-	(13,969)	72	(10,097)	1,719,025	-	
Leading Interconnect Semiconductor Technology (Shenzhen) Co.,Ltd.	Development, manufacture and sales of electronic products and goods imports and exports	3,364,196	2	-	-	-	-	(1,796,624)	66	(1,184,053)	4,584,567	-	

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 2)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Net profit (loss) of investee for the year ended December 31, 2024	Ownership held directly or indirectly by the Company	Investment income (loss) recognised by the Company for the year ended December 31, 2024 (Note 3)	Carrying amount of investments as of December 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Leading Interconnect Semiconductor Technology Qinhuangdao Co.,Ltd.	Development, manufacture and sales of electronic products and goods imports and exports	\$ 2,280,410	2	\$ -	\$ -	\$ -	\$ -	(\$ 366,018)	66	(\$ 241,321)	\$ 2,819,447	\$ -	
Avary Property Management Service(Shenzhen) Co., Ltd.	Property management business	22,804	2	-	-	-	-	4,973	72	3,595	22,665	-	
Guangdong Zhan Yang Intelligent Equipment Co.,Ltd.	Research and development, sales, processing of automation equipment as well as imports and exports of goods or technology	43,535	2	-	-	-	-	6,781	32	3,080	22,444	-	

Note 1: The amounts in the table are shown in New Taiwan Dollars. Transactions denominated in foreign currencies are translated into New Taiwan Dollars at the spot exchange rates at the balance sheet date.

Note 2: The methods of investments to PRC are as follows:

(1) The Group remits its own funds directly to the investee companies located in PRC

(2) Investee company, Monterey Park Finance Limited (B.V.I.), established by the Company that is located outside of Taiwan and PRC remits its own funds directly to the investee companies located in PRC.

(3) Others

Note 3: The columns investment income (loss) recognised by the Company for the year ended December 31, 2024 were based on the audited financial statements of the investees in Mainland China for the same period.

Note 4: The cumulative earnings distributed to the parent company by Avary Holding (Shenzhen) Co., Limited amounted to RMB 7,614,848 thousand as of December 31, 2024.

Note 5: Qing Ding Precision Electronics (Huaian) Co., Ltd. merged with Yu Ding Precision Electronics (Huaian) Co., Ltd. on August 31, 2024

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
MAJOR SHAREHOLDERS INFORMATION
DECEMBER 31, 2024

Table 10

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Foxconn (Far East) Limited	305,515,627	31.94%