

ETRON TECHNOLOGY, INC.
PARENT COMPANY ONLY FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Stock Code 5351)

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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.

ETRON TECHNOLOGY, INC.

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

Table of Contents

Item	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Report	3-8
4. Parent Company Only Balance Sheets	9-10
5. Parent Company Only Statements of Comprehensive Income	11
6. Parent Company Only Statements of Changes in Equity	12
7. Parent Company Only Statements of Cash Flows	13-14
8. Notes to the Parent Company Only Financial Statements	15-72
(1) Company History	15
(2) The Date of Authorization for Issuance of the Financial Statements and Procedures for Authorization	15
(3) Application of New Standards, Amendments and Interpretations	15-16
(4) Summary of Significant Accounting Policies	17-27
(5) Primary Sources of Uncertainties in Material Accounting Judgments, Estimates, and Assumptions	27-28
(6) Details of Significant Accounts	28-57
(7) Related Party Transactions	57-60
(8) Pledged Assets	61
(9) Significant Contingent Liabilities and Unrecognized Contract Commitments	61
(10) Significant Disaster Loss	61
(11) Significant Events after the Balance Sheet Date	61
(12) Others	61-72
(13) Supplementary Disclosures	72
9. Statements of Significant Accounting Subjects	73-87

Independent Auditors' Report

(2025) Cai-Shen-Bao-Zi No. 24003851

To the Board of Directors and Shareholders of Etron Technology, Inc.:

Opinion

We have audited the accompanying parent company only balance sheets of Etron Technology, Inc. (the "Company") as at December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years ended 2024 and 2023, and notes to the parent company only financial statements, including a summary of significant accounting policies.

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

Basis for Opinions

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 parent company only financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the report of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key audit matters for the Company's 2024 parent company only financial statements of the current period are stated as follows:

Key audit matters - Valuation of accounts receivable

Description

Please refer to Note 4(10) for accounting policies on valuation of accounts receivable, Note 5 for the uncertainty of accounting estimates and assumptions related to valuation of accounts receivable, and Note 6(5) for details of accounts receivable. As of December 31, 2024, the total amount of accounts receivable and allowance for uncollectible accounts were NT\$807,616 thousand and NT\$76,017 thousand, respectively.

The Company assesses the allowance for uncollectible accounts receivable by each individual counterparty when there are significant past due accounts receivable arising from each individual counterparty. The valuation of allowance for uncollectible accounts receivable for the remaining counterparties is based on the default risk and expected loss rate. The amount of accounts receivable is material to the parent company only financial statements and the valuation involves subjective judgment made by management. Thus, we consider the valuation of accounts receivable a key audit matter.

How our audit addressed the matter

The procedures performed by us for the impairment assessment of accounts receivable are summarized as follows:

1. Obtain an understanding and evaluating the design and operating effectiveness of internal controls related to sales and collection cycle.
2. Obtain the aging analysis report and validate its accuracy.
3. Obtain relevant assessment made by management in identifying significant expected credit loss for each individual customer and respective supporting documents. Evaluate the reasonableness of expected credit loss ratios based on the historical data of similar credit risk groups while also considering forward-looking information.
4. Perform subsequent collection testing to assess the reasonableness of allowance for uncollectable accounts receivables.

Key audit matters - Valuation of inventories

Description

Refer to Note 4(13) for accounting policies on valuation of inventories, Note 5 for the uncertainty of accounting estimates and assumptions related to valuation of inventories, and Note 6(6) for details of inventories. As of December 31, 2024, the total amount of inventories and allowance for inventory valuation loss were NT\$2,925,129 thousand and NT\$475,871 thousand, respectively.

The Company is primarily engaged in the design, manufacturing and sale of niche memory chips. Due to rapidly technology changing and market demand, there is a higher risk of decline in market values of inventories or obsolescence. The Company's inventories are measured at the lower of cost and net realizable value. The estimation of net realizable value for inventories aged over a certain period of time and individually identified as obsolete involves management's subjective judgment and the amount of inventories is material to the Company's financial statements. Thus, we consider the valuation of inventories a key audit matter.

How our audit addressed the matter

The procedures performed by us for the assessment of allowance for inventory valuation loss are summarized as follows:

1. Understand and assess the reasonableness of the policy for recognizing allowance for inventory valuation losses.
2. Test the inventory aging report, including randomly inspecting year-end inventory quantities and amounts to ensure consistency with the inventory details and confirm the accuracy of the aging classification.
3. Evaluate and validate the reasonableness of the estimated net realizable value to confirm the adequacy of the allowance for inventory valuation loss.

Other matter - Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method recognized by the Company's investee accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balances of these investments accounted for under the equity method amounted to NT\$302,780 thousand and NT\$286,929 thousand, constituting 4.65% and 4.30% of the parent company only total assets as at December 31, 2024 and 2023, and the comprehensive income recognized from

investments accounted for under the equity method amounted to NT(\$2,491) thousand and NT(\$4,245) thousand, constituting 0.41% and 0.52% of the parent company only total comprehensive income for the years then ended, respectively.

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

To ensure that the Parent Company Only Financial Statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent Parent Company Only Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for preparing and maintaining necessary internal control procedures pertaining to the Parent Company Only Financial Statements.

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to

those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit and forming an opinion on the parent company only financial statements.

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 the key audit matters of the Company in the audit of the parent company only financial statements for the year ended December 31, 2024. 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.

For and on Behalf of PricewaterhouseCoopers, Taiwan

Hsieh, Chih-Cheng
CPA
Hsu, Sheng-Chung

Former Executive Yuan Financial Supervisory Commission
Approved letter No.: Jin-Guan-Zheng-Shen-Zi No. 0990042599
Financial Supervisory Commission
Approved letter No.: Jin-Guan-Zheng-Shen-Zi No. 1010034097

March 7, 2025

The accompanying parent company only 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 parent company only 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.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ETRON TECHNOLOGY, INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

Expressed in thousands of NTD

			December 31, 2024		December 31, 2023	
Assets		Notes	Amount	%	Amount	%
Current Assets						
1100	Cash and cash equivalents	6(1)	\$ 412,495	6	\$ 399,076	6
1110	Financial assets at fair value through profit or loss - current	6(2)	7,200	-	12,468	-
1136	Financial assets at amortized cost - current	6(4) and 8	2,000	-	2,000	-
1150	Notes receivable, net	6(5)	28,361	1	1,818	-
1170	Accounts receivable, net	6(5)	702,794	11	605,208	9
1180	Accounts receivable - related parties, net	6(5) and 7	28,805	-	24,254	-
1200	Other receivables		692	-	11,683	-
1210	Other receivables - related parties	7	8,667	-	28,485	1
1220	Current income tax assets		3,398	-	247	-
130X	Inventories	6(6)	2,449,258	38	2,697,886	40
1410	Prepayments	7	54,039	1	51,411	1
1470	Other current assets		739	-	616	-
11XX	Total current assets		3,698,448	57	3,835,152	57
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	58,790	1	-	-
1535	Financial assets at amortized cost - non-current	6(4) and 8	5,941	-	5,941	-
1550	Investments Accounted for Using the Equity Method	6(7)	1,371,134	21	1,362,079	21
1600	Property, plant, and equipment	6(8)(13) and 8	567,847	9	628,990	10
1755	Right-of-use assets	6(9)	168,042	3	191,836	3
1780	Intangible assets	6(11)	15,615	-	18,324	-
1840	Deferred income tax assets	6(33)	209,005	3	211,142	3
1900	Other non-current assets	6(12)	423,520	6	423,386	6
15XX	Total non-current assets		2,819,894	43	2,841,698	43
1XXX	Total assets		\$ 6,518,342	100	\$ 6,676,850	100

(Continued)

ETRON TECHNOLOGY, INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

Expressed in thousands of NTD

Liabilities and Equity			December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
Current Liabilities						
2100	Short-term borrowings	6(14)	\$ 460,153	7	\$ 955,224	14
2120	Financial liabilities at fair value	6(15)				
	through profit or loss - current		16,358	-	2,939	-
2130	Contract liabilities - current		58,985	1	1,551	-
2150	Notes payable		3,904	-	5,327	-
2170	Accounts payable		589,869	9	393,838	6
2200	Other payables	6(16) and 7	195,899	3	182,453	3
2280	Lease liabilities - current		23,549	1	23,055	1
2320	Long-term liabilities, current portion	6 (17) (18) and 8	784,795	12	332,477	5
2399	Other current liabilities, other		12,029	-	4,934	-
21XX	Total current liabilities		2,145,541	33	1,901,798	29
Non-current liabilities						
2530	Bonds payable	6(17)	-	-	752,129	11
2540	Long-term borrowings	6(18) and 8	15,602	-	314,394	5
2570	Deferred income tax liabilities	6(33)	848	-	221	-
2580	Lease liabilities - non-current		151,694	2	174,823	2
2600	Other non-current liabilities	6(19) and 7	39,078	1	112,350	2
25XX	Total non-current liabilities		207,222	3	1,353,917	20
2XXX	Total liabilities		2,352,763	36	3,255,715	49
Equity						
	Share capital	6(20)				
3110	Capital stock - common shares		3,255,958	50	2,889,328	43
3140	Capital collected in advance		-	-	17,143	-
	Capital surplus	6(21)				
3200	Capital surplus		1,419,142	22	718,483	11
	Retained earnings	6(22)				
3310	Legal reserve		-	-	96,910	1
3350	Accumulated deficit		(596,602)	(9)	(468,959)	(7)
3400	Other equity interest	6(23)	87,081	1	168,230	3
3XXX	Total equity		4,165,579	64	3,421,135	51
	Significant Contingent Liabilities and	9				
	Unrecognized Contract Commitments					
3X2X	Total liabilities and equity		\$ 6,518,342	100	\$ 6,676,850	100

Please consult the enclosed notes to the parent company only financial statements, as they form an essential component of this parent company only financial report.

ETRON TECHNOLOGY, INC.
Parent Company Only Statements of Comprehensive Income
YEARS ENDED DECEMBER 31, 2024 AND 2023

Expressed in thousands of NTD
(Except for loss per share of NTD)

			Year end December 31			
			2024		2023	
Item	Notes		Amount	%	Amount	%
4000	Operating revenue	6(25) and 7	\$ 3,325,533	100	\$ 2,573,481	100
5000	Operating costs	6(6)(30)(31)	(2,965,025)	(89)	(2,706,509)	(105)
5950	Gross profit (loss) from operations		<u>360,508</u>	<u>11</u>	<u>(133,028)</u>	<u>(5)</u>
	Operating expenses	6(30)(31) and 7				
6100	Selling expenses		(175,796)	(5)	(143,487)	(5)
6200	Administrative expenses		(222,923)	(7)	(211,201)	(8)
6300	Research and development expenses		(389,906)	(12)	(376,974)	(15)
6450	Expected credit impairment gain	12(2)	-	-	6,000	-
6000	Total operating expenses		<u>(788,625)</u>	<u>(24)</u>	<u>(725,662)</u>	<u>(28)</u>
6500	Other operating income and expenses - net	6(26) and 7	<u>67,913</u>	<u>2</u>	<u>69,802</u>	<u>3</u>
6900	Operating loss		<u>(360,204)</u>	<u>(11)</u>	<u>(788,888)</u>	<u>(30)</u>
	Non-operating income and expenses					
7100	Interest income	6(27)	5,243	-	2,640	-
7010	Other income	6(28) and 7	5,362	-	24,120	1
7020	Other gains and losses	6(29)	(8,678)	-	151,070	6
7050	Finance costs	6(32)	(59,320)	(2)	(76,269)	(3)
7070	Share of profit or loss of subsidiaries, associates, and joint ventures accounted for using equity method	6(7)	<u>(123,043)</u>	<u>(3)</u>	<u>(205,587)</u>	<u>(8)</u>
7000	Total non-operating income and expenses		<u>(180,436)</u>	<u>(5)</u>	<u>(104,026)</u>	<u>(4)</u>
7900	Net loss before income tax		<u>(540,640)</u>	<u>(16)</u>	<u>(892,914)</u>	<u>(34)</u>
7950	Income tax expense	6(33)	-	-	-	-
8200	Net loss for the year		<u>(\$ 540,640)</u>	<u>(16)</u>	<u>(\$ 892,914)</u>	<u>(34)</u>
	Other comprehensive income (loss)					
	Components that will not be reclassified to profit or loss					
8311	Gains (losses) on re-measurements of defined benefit plans	6(19)	\$ 8,580	-	\$ 5,148	-
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	6(23)	916	-	-	-
8330	Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(23)	<u>(139,674)</u>	<u>(4)</u>	<u>78,544</u>	<u>3</u>
	Components that may be reclassified to profit or loss					
8380	Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that may be reclassified to profit or loss	6(23)	<u>57,608</u>	<u>2</u>	<u>(60)</u>	<u>-</u>
8300	Other comprehensive income (net)		<u>(\$ 72,570)</u>	<u>(2)</u>	<u>\$ 83,632</u>	<u>3</u>
8500	Total comprehensive income for the year		<u>(\$ 613,210)</u>	<u>(18)</u>	<u>(\$ 809,282)</u>	<u>(31)</u>
9750	Basic loss per share	6(34)	(\$ 1.77)		(\$ 3.09)	
9850	Diluted loss per share	6(34)	(\$ 1.77)		(\$ 3.09)	

Please consult the enclosed notes to the parent company only financial statements, as they form an essential component of this parent company only financial report.

ETRON TECHNOLOGY, INC.
Parent Company Only Statements of Changes in Equity
YEARS ENDED DECEMBER 31, 2024 AND 2023

Expressed in thousands of NTD

		Share capital			Retained earnings				
Notes		Capital stock - common shares	Capital collected in advance	Capital surplus	Legal reserve	Unappropriated retained earnings (Accumulated deficit)	Other equity interest	Total equity	
<u>2023</u>									
Balance at January 1, 2023		\$ 2,840,618	\$ 3,585	\$ 687,164	\$ 78,407	\$ 539,784	\$ 32,746	\$ 4,182,304	
Net loss for the year		-	-	-	-	(892,914)	-	(892,914)	
Other comprehensive income (loss) for the year		6(7)(19)(23)	-	-	-	5,148	78,484	83,632	
Total comprehensive income for the year		-	-	-	-	(887,766)	78,484	(809,282)	
Appropriation and distribution of 2022 retained earnings:		6(22)							
Legal reserve appropriated		-	-	-	18,503	(18,503)	-	-	
Stock dividends		39,790	-	-	-	(39,790)	-	-	
Cash dividends		-	-	-	-	(5,684)	-	(5,684)	
Exercise of employee share options		6(20)(21)(24)	8,920	13,558	12,537	-	-	35,015	
Net change in equity of associates		6(21)	-	-	6,928	-	-	6,928	
Cost of share-based compensation		6(21)(24)	-	-	24,166	-	-	24,166	
Changes in ownership interests in subsidiaries		6(21)	-	-	(32,696)	-	-	(32,696)	
Repurchase of convertible bonds		6(21)	-	-	(165)	-	-	(165)	
Capital contribution from non-controlling interests		6(21)	-	-	20,549	-	-	20,549	
Disposal of equity instruments at fair value through other comprehensive income		6(3)(23)	-	-	-	(57,000)	57,000	-	
Balance at December 31, 2023		<u>\$ 2,889,328</u>	<u>\$ 17,143</u>	<u>\$ 718,483</u>	<u>\$ 96,910</u>	<u>(\$ 468,959)</u>	<u>\$ 168,230</u>	<u>\$ 3,421,135</u>	
<u>2024</u>									
Balance at January 1, 2024		\$ 2,889,328	\$ 17,143	\$ 718,483	\$ 96,910	(\$ 468,959)	\$ 168,230	\$ 3,421,135	
Net loss for the year		-	-	-	-	(540,640)	-	(540,640)	
Other comprehensive income (loss) for the year		6(7)(19)(23)	-	-	-	8,580	(81,150)	(72,570)	
Total comprehensive income for the year		-	-	-	-	(532,060)	(81,150)	(613,210)	
Appropriation and distribution of 2023 retained earnings:		6(22)							
Legal reserve for loss compensation		-	-	-	(96,910)	96,910	-	-	
Capital surplus for loss compensation		6(21)(22)	-	-	(307,508)	-	-	-	
Cash capital increase		6(20)(21)	350,000	-	974,775	-	-	1,324,775	
Exercise of employee share options		6(20)(21)(24)	16,630	(17,143)	34,240	-	-	33,727	
Net change in equity of associates		6(21)	-	-	1,213	-	-	1,213	
Cost of share-based compensation		6(21)(24)	-	-	15,198	-	-	15,198	
Changes in ownership interests in subsidiaries		6(21)	-	-	(38,182)	-	-	(38,182)	
Capital contribution from non-controlling interests		6(21)	-	-	20,923	-	-	20,923	
Disposal of equity instruments at fair value through other comprehensive income		6(3)(23)	-	-	-	(1)	1	-	
Balance at December 31, 2024		<u>\$ 3,255,958</u>	<u>\$ -</u>	<u>\$ 1,419,142</u>	<u>\$ -</u>	<u>(\$ 596,602)</u>	<u>\$ 87,081</u>	<u>\$ 4,165,579</u>	

Please consult the enclosed notes to the parent company only financial statements, as they form an essential component of this parent company only financial report.

ETRON TECHNOLOGY, INC.
Parent Company Only Statements of Cash Flows
YEARS ENDED DECEMBER 31, 2024 AND 2023

Expressed in thousands of NTD

		Year end December 31	
	Notes	2024	2023
<u>Cash flows from operating activities</u>			
Net loss before tax for the year		(\$ 540,640)	(\$ 892,914)
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit impairment gain	12(2)	-	(6,000)
Depreciation expenses	6(8)(9)(30)	124,909	126,813
Amortization expenses	6(11)(30)	61,199	56,245
Loss (gain) on financial assets at fair value through profit or loss	6(28)	18,687	(18,149)
Cost of share-based compensation	6(24)	15,198	24,166
Interest expenses	6(32)	55,545	72,050
Interest expense from lease liabilities	6(9)(32)	3,775	4,219
Interest income	6(27)	(5,243)	(2,640)
Dividend income	6(28)	(64)	(621)
Share of loss of associates accounted for using the equity method	6(7)	123,043	205,587
Gain on disposal of property, plant, and equipment	6(29)	(154)	(143,968)
Losses (gains) arising from lease modifications	6(29)	122	(31)
Gains on disposals of investments	6(29)	(1,797)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(26,543)	39,941
Notes receivable - related parties		-	31,756
Accounts receivable		(97,586)	188,959
Accounts receivable - related parties		(4,551)	12,706
Other receivables		10,441	(1,977)
Other receivables - related parties		19,818	9,838
Inventories		248,628	794,038
Prepayments		(2,628)	41,074
Other current assets		(123)	1,045
Changes in operating liabilities			
Contract liabilities		(4,183)	(500)
Financial liabilities at fair value through profit or loss		-	(27)
Notes payable		(1,423)	4,575
Accounts payable		196,031	(282,908)
Other payables		6,176	(39,032)
Other current liabilities		7,095	(3,113)
Net defined benefit liabilities		(1,078)	(882)
Cash inflow generated from operations		204,654	220,250
Interest received		5,406	2,450
Dividends received		64	621
Interest paid		(50,206)	(63,279)
Income tax paid		-	(3,086)
Net cash inflows generated from operating activities		159,918	156,956

(Continued)

ETRON TECHNOLOGY, INC.
Parent Company Only Statements of Cash Flows
YEARS ENDED DECEMBER 31, 2024 AND 2023

Expressed in thousands of NTD

		Year end December 31	
	Notes	2024	2023
<u>Cash flows from investing activities</u>			
Proceeds from disposal of financial assets at fair value through profit or loss		\$ -	\$ 56,904
Acquisition of financial assets at fair value through other comprehensive income		(57,874)	-
Proceeds from capital reduction of investment accounted for using equity method	6(7)	-	45,067
Acquisition of investments accounted for using equity method - subsidiaries	6(7) and 7	(240,553)	(179,531)
Dividends received from investments accounted for using equity method	6(7)	-	14,646
Cash distribution from capital surplus received from investments accounted for using equity method	6(7)	10,140	-
Acquisition of property, plant, and equipment	6(35)	(30,300)	(104,488)
Proceeds from disposal of property, plant, and equipment		528	150,082
Acquisition of intangible assets	6(35)	(57,818)	(58,798)
Increase in refundable deposits		(134)	(162)
Decrease in other non-current assets		-	3,712
Net cash flows used in investing activities		(376,011)	(72,568)
<u>Cash flows from financing activities</u>			
Increase in short-term loans	6(36)	3,720,915	4,684,908
Decrease in short-term loans	6(36)	(4,215,986)	(4,812,772)
Increase in long-term loans	6(36)	-	250,000
Decrease in long-term loans	6(36)	(610,737)	(372,809)
Cash capital increase	6(20)	1,324,775	-
Increase in guarantee deposits	6(36)	3	55
Payment of lease principal	6(36)	(23,185)	(22,568)
Exercise of employee share options	6(20)	33,727	35,015
Cash dividends paid	6(22)	-	(5,684)
Net cash flows (used in) from financing activities		229,512	(243,855)
(Decrease) Increase in cash and cash equivalents		13,419	(159,467)
Cash and cash equivalents at beginning of year	6(1)	399,076	558,543
Cash and cash equivalents at end of year	6(1)	\$ 412,495	\$ 399,076

Please consult the enclosed notes to the parent company only financial statements, as they form an essential component of this parent company only financial report.

ETRON TECHNOLOGY, INC.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Expressed in thousands of NTD
(Except as otherwise indicated)

1. Company History

Etron Technology, Inc. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company is primarily engaged in the manufacturing and design of various integrated circuits.

2. The Date of Authorization for Issuance of the Financial Statements and Procedures for Authorization

These parent company only financial statements were authorized for issuance by the Board of Directors on March 7, 2025.

3. Application of New Standards, Amendments and Interpretations

- (1) Effect of the adoption of new issuance of or amendments to International Financial Reporting Standards ("IFRS") 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/Revised/Amended Standards and Interpretations</u>	<u>Publication Effective Date of the 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 IFRS 7 and IAS 7, "Supplier Finance Arrangements"	January 1, 2024

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

- (2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company

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

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Publication Effective Date of the International Accounting Standards Board</u>
Amendments to IAS 21, "Lack of Exchangeability"	January 1, 2025

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

(3) IFRSs issued by IASB but not yet endorsed by the FSC

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

New/Revised/Amended Standards and Interpretations	Publication Effective Date of the 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
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: Disclosure'	January 1, 2027
Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026

Except for those mentioned below, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

A. Amendments to IFRS 9 and IFRS 7, "Amendments to the Classification and Measurement of Financial Instruments"

The amendments are explained as follows:

Updates regarding irrevocable designations for equity instruments measured at fair value through other comprehensive income (FVOCI) should disclose their fair value by each category, without the need to disclose fair value information for each individual instrument. Additionally, the amount of fair value gains or losses recognized in other comprehensive income during the reporting period should be disclosed separately, showing the amount of fair value gains or losses related to investments that were derecognized during the reporting period, as well as the amount of fair value gains or losses related to investments still held as of the end of the reporting period. Furthermore, the cumulative gains or losses transferred to equity from investments derecognized during the reporting period should also be disclosed.

B. IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 'Presentation and Disclosure of Financial Statements' replaces IAS 1 and updates the structure of the statement of comprehensive income, introduces new disclosures on management performance measurement, and strengthens the principles of aggregation and disaggregation applied in the main financial statements and notes.

4. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

A. Except for the following items, the parent company only 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) Financial assets at fair value through other comprehensive income.
- (c) Defined benefit liabilities recognized 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 International Financing Reporting Standards, International Accounting Standards, IFRIC International, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional currency.

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 recognized in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized 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 recognized 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 recognized in other comprehensive income. However, nonmonetary 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 other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within other gains and losses.

B. Translation of foreign operations

- (a) The operating results and financial position of all the subsidiaries and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognized in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Company retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Company retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets:

- (a) Assets arising from operating activities that are expected to be realized, 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 realized within twelve months from the balance sheet date.
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged used to settle liabilities more than twelve months after the balance sheet date.

The Company classifies all other assets not meeting the above mentioned criteria as non-current assets.

B. Liabilities that meet one of the following criteria are classified as current liabilities:

- (a) Liabilities that are expected to be settled within the normal operating cycle.
- (b) Liabilities arising mainly from trading activities.
- (c) Liabilities that are to be settled within twelve months from the balance sheet date.

- (d) Those who do not have the right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities not meeting the above mentioned criteria as non-current liabilities.

(5) 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 above definition and are held to fulfill short-term cash commitments in operations are classified as cash equivalents.

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

- A. Financial assets that are not measured at amortized cost nor at fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.
- D. The Company recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
 - (a) The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets.
 - (b) The terms of the financial asset contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. The Company recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(8) Financial assets at amortized cost

- A. Financial assets at amortized cost are those that meet all of the following criteria:

- (a) The objective of the Company's business model is achieved by collecting contractual cash flows.
 - (b) The terms of the financial asset contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.
 - B. On a regular way purchase or sale basis, financial assets at amortized cost are recognized and derecognized using trade date accounting.
 - C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.
 - D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.
- (9) Accounts and notes payable
- A. Accounts and notes receivable entitle the Company 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.
- (10) Impairment of financial assets
- A. For financial assets at amortized cost, at each reporting date, the Company recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes 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 that includes forecasts.
 - B. For accounts receivable that do not contain a significant financing component, the Company recognizes the impairment provision for lifetime ECLs.
- (11) Derecognition of financial assets
- The Company derecognizes a financial asset when one of the following conditions is met:
- A. The contractual rights to receive the cash flows from the financial asset expire.
 - B. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.
 - C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Company has not retained control of the financial asset.
- (12) Leasing arrangements (lessor) - operating leases
- Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.
- (13) Inventories
- Inventories are stated at the lower of cost or net realizable value, with cost calculated using the weighted average method. The item by item approach is used in applying the lower of cost and

net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

(14) Investments accounted for using the equity method/subsidiaries and associates

- A. Subsidiaries are all entities controlled by the Company. The Company controls an entity when the Company 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.
- B. Unrealized gains or losses on transactions between the Company and subsidiaries have been eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize losses proportionate to its ownership.
- D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
- E. Associates are all entities over which the Company 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 recognized at cost.
- F. The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income.
- G. 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 Company's ownership percentage of the associate, the Company recognizes change in ownership interests in the associate in "capital surplus" in proportion to its ownership.
- H. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealized 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 Company.
- I. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company'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 Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized 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.

- J. Upon loss of significant influence over an associate, the Company remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.
- K. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- L. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss proportionately.
- M. Pursuant to the Rules Governing the Preparation of Financial Statements by Securities Issuers, profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(15) Property, plant, and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.
- C. Land is not depreciated. Other property, plant and equipment apply cost model for subsequent measurement and are depreciated using the straight-line method to allocate their cost over their estimated useful lives.
- 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 the main property, plant and equipment are as follows:

Buildings and structures	3-50 years
Machinery and equipment	2-10 years
Other equipment	2-10 years

(16) Leasing arrangements (lessee) - right-of-use asset/lease liabilities

- A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases

of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the Company's incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable. The Company subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost. Cost recognized is the amount of the initial measurement of lease liability. The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

(17) Intangible assets

A. Patents and special technology

Separately acquired patents and special technology are stated at historical cost. Patents and special technology have a finite useful life and are amortized on a straight-line basis over their economic benefits.

B. Computer software

Computer software is stated at cost and amortized on a straight-line basis over its contract period.

(18) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized 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. When the circumstances or reasons for recognizing 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 amortized historical cost would have been if the impairment had not been recognized.

(19) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(20) Accounts and notes payable

Accounts and notes payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method. However, short-

term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(21) Financial liabilities at fair value through profit or loss

Mandatory convertible bonds

- A. Mandatory convertible bonds issued by the Company are initially recognized at fair value. The bonds will be settled by exchanging a fixed amount for an unfixed number of shares, which does not meet the definition of an equity component, and therefore are classified as liabilities. The bonds are subsequently remeasured at the present value of the redemption amount over the period of circulation.
- B. The mandatory convertible bonds are transferred from liabilities to equity when the bonds are converted at maturity.

(22) Convertible bonds payable

Convertible bonds issued by the Company contain conversion options (that is, the bondholders have the right to convert the bonds into the Company's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Company classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

- A. The embedded call options and put options are recognized initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss.' They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognized as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss.'
- B. The host contracts of bonds are initially recognized at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortized in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.
- C. Embedded conversion option which meet the definition of an equity instrument: Initially recognized in "Capital surplus—share options" at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.
- D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- E. When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and 'capital surplus - share options.'

(23) Derecognition of financial liabilities

A financial liability is derecognized by the Company when the obligation specified in the contract is either discharged or cancelled or expired.

(24) 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 respect of service rendered by employees in a period and should be recognized as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expense when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Company uses interest rates of government bonds (at the balance sheet date) instead and conducts an actuarial valuation at the end of the year.
- ii. Remeasurements arising on defined benefit plans are recognized 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 recognized as expense and liability, 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.

(25) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized 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 nonvesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

(26) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized 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 Company and its subsidiaries 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. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. However, the deferred 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. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred 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 tax asset is realized or the deferred tax liability is settled.
- D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

(27) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(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

The Company designs, manufactures and sells integrated circuits. Sales are recognized 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. As the time interval between the transfer of committed goods and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.

- B. A receivable is recognized 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.

(30) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the company will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes expenses for the related costs for which the grants are intended to compensate.

5. **Primary Sources of Uncertainties in Material Accounting Judgments, Estimates, and Assumptions**

The preparation of these parent company only financial statements requires management to make critical judgments in applying the Company'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 causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

- (1) Critical judgements in applying the Company's accounting policies

None.

- (2) Critical accounting estimates and assumptions

A. Valuation of accounts receivable

The Company evaluates the allowance for uncollectible accounts receivable by individual counterparties when there are significant past due accounts receivable arising from those individual counterparties. The evaluation of allowance for uncollectible accounts and notes receivable for the remaining counterparties is based on the default risk and expected loss rate. The Company considers the historical experience in determining the assumptions adopted and the inputs used when calculating the impairment. Such valuation of accounts receivable is estimated based on the reasonable expectation about expected credit losses on the basis of conditions existing at the balance sheet date although the estimation may differ from the actual result. Therefore, there might be material changes to the evaluation.

As of December 31, 2024, the carrying amount of accounts receivable (including related parties) was \$731,599.

B. Valuation of inventories

As inventories are stated at the lower of cost and net realizable value, the Company must determine the net realizable value of inventories on balance sheet date using judgments and estimates. Due to the rapid technology innovation, the Company 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 realizable value. Such valuation of inventories is valued based on the current market conditions and historical sales experience. Any changes in the market conditions may have material impact on the results of valuation. Therefore, there might be material changes to the evaluation.

As of December 31, 2024, the carrying amount of inventories was \$2,449,258.

6. **Details of Significant Accounts**

(1) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and revolving funds	\$ 2,323	\$ 2,265
Checking accounts and demand deposits	410,172	346,811
Time deposits	-	50,000
Total	<u>\$ 412,495</u>	<u>\$ 399,076</u>

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

B. The Company's cash and cash equivalents shown on the balance sheet were not pledged to others as collateral. Details of the Company's cash and cash equivalents (shown as current and noncurrent financial assets at amortized cost) pledged to others as collateral are provided in Note 8.

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

Item	December 31, 2024	December 31, 2023
Current items:		
Listed stocks	\$ 26,811	\$ 26,811
Valuation adjustment		
Equity instruments	(19,611)	(16,763)
Foreign exchange swap contracts	-	2,420
Total	<u>\$ 7,200</u>	<u>\$ 10,048</u>

A. The Company recognized net (loss) profit amounting to (\$5,268) and \$12,453 in profit or loss for the years ended December 31, 2024 and 2023, respectively.

B. The Company entered into contracts relating to derivative financial assets which were not accounted for under hedge accounting. The information is listed below:

December 31, 2024: None.

Derivatives	December 31, 2023	
	Contract amount (Notional principal)	Contract period
Assets - current items:		
Foreign exchange swap contracts	USD <u>4,000 thousand</u>	2023.12.5~2024.2.29

- C. The Company entered into forward exchange contracts and foreign exchange swap contracts to hedge exchange rate risk of export proceeds. However, these contracts are not accounted for under hedge accounting.
- D. The Company has no financial assets at fair value through profit or loss pledged to others as collateral.

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

Item	December 31, 2024	December 31, 2023
Non-current items:		
Unlisted stocks	\$ 57,874	\$ -
Valuation adjustment	<u>916</u>	<u>-</u>
Total	<u>\$ 58,790</u>	<u>\$ -</u>

- A. The Company has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$58,790 and \$0 as at December 31, 2024 and 2023, respectively.
- B. Amounts recognized 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 income</u>		
Fair value change recognized in other comprehensive (loss) income		
-The Company	\$ 916	\$ -
Fair value change recognized in other comprehensive (loss) income		
-Subsidiaries	<u>(139,674)</u>	<u>78,544</u>
	<u>(\$ 138,758)</u>	<u>\$ 78,544</u>
Cumulative (losses) gains reclassified to retained earnings due to derecognition		
- Disposal of Financial Assets-Subsidiaries	<u>\$ 1</u>	<u>\$ 57,000</u>

- C. During the fiscal year 2023, the subsidiary made the decision to exclude Feng Hong Technology Corporation, the investment target, from the consolidated financial statements. As a result, an accumulated evaluation loss of \$57,000 was transferred to retained earnings.
- D. During the fiscal year 2024, the subsidiary made the decision to dispose Senti Biosciences, Inc, the investment target, from the consolidated financial statements. As a result, an accumulated evaluation loss of \$1 was transferred to retained earnings.
- E. The Company has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(4) Financial assets at amortized cost

	December 31, 2024	December 31, 2023
Current items		
Restricted time deposits and performance guarantee	<u>\$ 2,000</u>	<u>\$ 2,000</u>
Non-current items		
Restricted time deposits	<u>\$ 5,941</u>	<u>\$ 5,941</u>

- A. Amounts recognized in profit or loss in relation to financial assets at amortized cost are listed below:

	Years ended December 31	
	2024	2023
Interest income	<u>\$ 62</u>	<u>\$ 52</u>

- B. Information relating to credit risk of financial assets at amortized cost is provided in Note 12(2). The counterparties of the Company's investments in certificates of deposits are financial institutions with high credit quality, so the Company expects that the probability of counterparty default is remote.

(5) Notes and accounts receivable

	December 31, 2024	December 31, 2023
Notes receivable	\$ 28,361	\$ 1,818
Accounts receivable (including related parties)	807,616	705,479
Less: Allowance for uncollectible accounts	<u>(76,017)</u>	<u>(76,017)</u>
	<u>\$ 759,960</u>	<u>\$ 631,280</u>

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

	December 31, 2024		December 31, 2023	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not Past Due	\$ 648,529	\$ 28,361	\$ 581,664	\$ 1,818
Up to 30 days	50,848	-	41,366	-
31 to 90 days	108,239	-	81,491	-
91 to 120 days	-	-	958	-
	<u>\$ 807,616</u>	<u>\$ 28,361</u>	<u>\$ 705,479</u>	<u>\$ 1,818</u>

The above aging schedule for ageing analysis was calculated based on expected payment date.

- B. As of December 31, 2024 and 2023, and January 1, 2023, the balances of receivables from contracts with customers amounted to \$835,977, \$707,297, and \$980,659, respectively.
- C. As at December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's accounts and notes receivable was \$759,960 and \$631,280, respectively.
- D. Information relating to credit risk is provided in Note 12(2).

(6) Inventories

	December 31, 2024		
	Cost	Allowance for valuation loss	Carrying amount
Raw materials	\$ 565,837	(\$ 21,246)	\$ 544,591
Work in progress	1,568,165	(312,836)	1,255,329
Finished goods	791,127	(141,789)	649,338
Total	<u>\$ 2,925,129</u>	<u>(\$ 475,871)</u>	<u>\$ 2,449,258</u>

	December 31, 2023		
	Cost	Allowance for valuation loss	Carrying amount
Raw materials	\$ 873,936	(\$ 38,133)	\$ 835,803
Work in progress	1,561,276	(325,594)	1,235,682
Finished goods	787,918	(161,517)	626,401
Total	<u>\$ 3,223,130</u>	<u>(\$ 525,244)</u>	<u>\$ 2,697,886</u>

The cost of inventories recognized as expense for the year:

	Years ended December 31	
	2024	2023
Cost of goods sold	\$ 2,952,554	\$ 2,617,453
Loss on decline in market value	12,471	89,056
Transferred to expenses	13,311	13,568
	<u>\$ 2,978,336</u>	<u>\$ 2,720,077</u>

(7) Investments accounted for using the equity method

A. The information on investments accounted for using the equity method is as follows:

Investees	December 31, 2024		December 31, 2023	
	Carrying amount	Shareholding ratio	Carrying amount	Shareholding ratio
<u>Subsidiaries</u>				
Eutrend Technology Inc.	\$ 195	93.57%	\$ 263	93.57%
Kinglord Corp.	428,374	100.00%	473,031	100.00%
Plusway Corp.	151,874	100.00%	139,041	100.00%
Kingwell Investment Corp.	356,151	100.00%	417,977	100.00%
Kingcharm Investment Corp.	25,440	100.00%	9,924	100.00%
Intercosmos Group Limited	201,485	100.00%	193,133	100.00%
Creative Ally Limited	28,088	100.00%	32,451	100.00%
eCapture Ltd. Co.	1,902	100.00%	2,083	100.00%
Insignis Technology, Inc.	8,124	100.00%	17,634	100.00%
eEver Technology Limited	45,018	43.52%	(2,001)	50.42%
eYs3D Microelectronics, Inc.	111,104	62.90%	60,962	64.20%
DeCloak Intelligences Co.	10,268	80.10%	10,569	79.98%

Investees	December 31, 2024		December 31, 2023	
	Carrying amount	Shareholding ratio	Carrying amount	Shareholding ratio
T-Era Architecture Technology, Inc.	244	7.56%	888	7.56%
TAT Technology, Inc.	110	7.33%	448	7.33%
ValueCreation Technology, Inc.	<u>2,757</u>	100.00%	<u>3,675</u>	100.00%
Subtotal	\$ 1,371,134		\$ 1,360,078	
Investments accounted for using the equity method - credit balance (recorded as other liabilities)	<u>-</u>		<u>2,001</u>	
Total	<u>\$ 1,371,134</u>		<u>\$ 1,362,079</u>	

B. The information on the Company's subsidiaries is provided in Note 4(3) in the consolidated financial statements for the year ended December 31, 2024.

- C. The Company's subsidiary - Kingwell Investment Corp. distributed cash dividends of \$10,140 in March 2024, and distributed cash dividends of \$14,646 in March 2023.
- D. The Company increased the capital of its subsidiaries, eEver Technology Limited, eYs3D Microelectronics, Inc., Decloak Intelligences Co., Kinglord Corp., Creative Ally Limited and Plusway Corp. during 2024. In total share capital of \$240,553. The shareholding ratio in eEver Technology Limited decrease to 43.52%, in eYs3D Microelectronics, Inc. decreased to 62.90% and in Decloak Intelligences Co. increased to 80.10%.
- E. In 2023, the Company's subsidiaries Plusway Corp. and Intercosmos Group Limited underwent capital reduction, returning share capital of \$45,067.
- F. For the years ended December 31, 2024 and 2023, the investment (loss) profit and other comprehensive (loss) income of investments accounted for using the equity method amounted to \$123,043 and \$205,587, (\$82,066) and \$78,484, respectively.

(8) Property, plant, and equipment

	Buildings and structures	Machinery and equipment	Others	Total
<u>January 1, 2024</u>				
Cost	\$ 542,239	\$ 416,523	\$ 3,052,660	\$ 4,011,422
Accumulated depreciation and impairment	(258,908)	(393,848)	(2,729,676)	(3,382,432)
	<u>\$ 283,331</u>	<u>\$ 22,675</u>	<u>\$ 322,984</u>	<u>\$ 628,990</u>
<u>2024</u>				
January 1	\$ 283,331	\$ 22,675	\$ 322,984	628,990
Additions	913	6,048	32,957	39,918
Disposals	-	-	(374)	(374)
Depreciation charge for the year	(11,655)	(5,155)	(83,877)	(100,687)
December 31	<u>\$ 272,589</u>	<u>\$ 23,568</u>	<u>\$ 271,690</u>	<u>\$ 567,847</u>
<u>December 31, 2024</u>				
Cost	\$ 543,152	\$ 421,399	\$ 3,008,925	\$ 3,973,476
Accumulated depreciation and impairment	(270,563)	(397,831)	(2,737,235)	(3,405,629)
	<u>\$ 272,589</u>	<u>\$ 23,568</u>	<u>\$ 271,690</u>	<u>\$ 567,847</u>

	Buildings and structures	Machinery and equipment	Others	Total
<u>January 1, 2023</u>				
Cost	\$ 542,242	\$ 546,339	\$ 3,001,895	\$ 4,090,476
Accumulated depreciation and impairment	(247,570)	(530,269)	(2,660,395)	(3,438,234)
	<u>\$ 294,672</u>	<u>\$ 16,070</u>	<u>\$ 341,500</u>	<u>\$ 652,242</u>
<u>2023</u>				
January 1	\$ 294,672	\$ 16,070	\$ 341,500	\$ 652,242
Additions	467	20,266	64,737	85,470
Disposals	-	(6,114)	-	(6,114)
Depreciation charge for the year	(11,808)	(7,547)	(83,253)	(102,608)
December 31	<u>\$ 283,331</u>	<u>\$ 22,675</u>	<u>\$ 322,984</u>	<u>\$ 628,990</u>
<u>December 31, 2023</u>				
Cost	\$ 542,239	\$ 416,523	\$ 3,052,660	\$ 4,011,422
Accumulated depreciation and impairment	(258,908)	(393,848)	(2,729,676)	(3,382,432)
	<u>\$ 283,331</u>	<u>\$ 22,675</u>	<u>\$ 322,984</u>	<u>\$ 628,990</u>

- A. Impairment information about the property, plant and equipment is provided in Note 6(13).
- B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(9) Leasing arrangements — lessee

- A. The Company leases various assets including land, buildings and business vehicles. Rental contracts are typically made for periods of 3 to 30 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants.
- B. Short-term leases with a lease term of 12 months or less comprise parking spaces.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	Carrying amount	
	December 31, 2024	December 31, 2023
Land	\$ 111,561	\$ 116,023
Buildings	51,080	69,072
Transportation equipment (Business vehicles)	5,401	6,741
	<u>\$ 168,042</u>	<u>\$ 191,836</u>

	Depreciation expenses	
	2024	2023
Land	\$ 4,462	\$ 4,462
Buildings	17,992	17,992
Transportation equipment (Business vehicles)	1,768	1,751
	<u>\$ 24,222</u>	<u>\$ 24,205</u>

- D. For the years ended December 31, 2024 and 2023, the additions to right-of-use assets were \$807 and \$5,374, respectively.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

	Years end December 31	
	2024	2023
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	<u>\$ 3,775</u>	<u>\$ 4,219</u>
Expense on short-term lease contracts	<u>\$ 1,823</u>	<u>\$ 1,389</u>
(Losses) gains arising from lease modifications	<u>(\$ 122)</u>	<u>\$ 31</u>

- F. For the years ended December 31, 2024 and 2023, the Company's total cash outflow for leases were \$28,783 and \$28,176, respectively.

(10) Leasing arrangements - lessor

- A. The Company leases various assets including buildings and machinery and equipment. Rental contracts are typically made for periods of 2 to 5 years.

B. For the years ended December 31, 2024 and 2023, the Company recognized rent income in the amounts of \$106,483 and \$106,796 respectively, based on the operating lease agreement, which does not include variable lease payments.

C. The maturity analysis of the lease payments under the operating leases is as follows:

	December 31, 2024	December 31, 2023
2024	\$ -	\$ 106,053
2025	114,603	69,362
2026	67,773	67,761
2027	34,625	34,615
2028	86	86
Total	<u>\$ 217,087</u>	<u>\$ 277,877</u>

(11) Intangible assets

	Patents and special technology	Computer software	Total
<u>January 1, 2024</u>			
Cost	\$ 114,439	\$ 121,879	\$ 236,318
Accumulated amortization and impairment	(112,655)	(105,339)	(217,994)
	<u>\$ 1,784</u>	<u>\$ 16,540</u>	<u>\$ 18,324</u>
<u>2024</u>			
January 1	\$ 1,784	\$ 16,540	\$ 18,324
Additions	-	58,490	58,490
Current period amortization expense	(1,524)	(59,675)	(61,199)
December 31	<u>\$ 260</u>	<u>\$ 15,355</u>	<u>\$ 15,615</u>
<u>December 31, 2024</u>			
Cost	\$ 105,171	\$ 111,817	\$ 216,988
Accumulated amortization and impairment	(104,911)	(96,462)	(201,373)
	<u>\$ 260</u>	<u>\$ 15,355</u>	<u>\$ 15,615</u>

	Patents and special technology	Computer software	Total
<u>January 1, 2023</u>			
Cost	\$ 114,440	\$ 185,169	\$ 299,609
Accumulated amortization and impairment	(110,269)	(172,598)	(282,867)
	<u>\$ 4,171</u>	<u>\$ 12,571</u>	<u>\$ 16,742</u>
<u>2023</u>			
January 1	\$ 4,171	\$ 12,571	\$ 16,742
Additions	-	57,827	57,827
Current period amortization expense	(2,387)	(53,858)	(56,245)
December 31	<u>\$ 1,784</u>	<u>\$ 16,540</u>	<u>\$ 18,324</u>
<u>December 31, 2023</u>			
Cost	\$ 114,439	\$ 121,879	\$ 236,318
Accumulated amortization and impairment	(112,655)	(105,339)	(217,994)
	<u>\$ 1,784</u>	<u>\$ 16,540</u>	<u>\$ 18,324</u>

Details of amortization on intangible assets are as follows:

	Years end December 31	
	2024	2023
Operating costs	\$ 238	\$ 568
Operating expenses	<u>60,961</u>	<u>55,677</u>
	<u>\$ 61,199</u>	<u>\$ 56,245</u>

(12) Other non-current assets

	December 31, 2024	December 31, 2023
Refundable deposits	\$ 419,262	\$ 419,128
Prepayments for equipment	<u>4,258</u>	<u>4,258</u>
	<u>\$ 423,520</u>	<u>\$ 423,386</u>

Part of the refundable deposits were prepayments made under the production capacity reservation agreements with suppliers.

(13) Impairment of non-financial assets

	December 31, 2024	December 31, 2023
Idle assets (shown as machinery and equipment)	\$ 43,144	\$ 43,144
Less: Accumulated depreciation	(43,144)	(43,144)
Net realizable value	<u>\$ -</u>	<u>\$ -</u>

(14) Short-term borrowings

Types of borrowings	December 31, 2024	December 31, 2023
Bank unsecured borrowings	<u>\$ 460,153</u>	<u>\$ 955,224</u>

The interest rate ranges as of December 31, 2024 and 2023 were 2.22%-6.047% and 2.05%-7.09%, respectively.

(15) Financial liabilities at fair value through profit or loss

Item	December 31, 2024	December 31, 2023
Current items:		
Financial liabilities held for trading		
Valuation adjustment		
Foreign exchange swap contracts	<u>\$ 2,615</u>	<u>\$ -</u>
Financial liabilities designated at fair value through profit or loss		
Call options and put options of convertible bonds	\$ 1,928	\$ 1,928
Valuation adjustment	<u>11,815</u>	<u>1,011</u>
Subtotal	<u>13,743</u>	<u>2,939</u>
Total	<u>\$ 16,358</u>	<u>\$ 2,939</u>

- A. The Company recognized net gain (loss) amounting to (\$13,419) and \$5,696 on financial liabilities at fair value through profit or loss for the years ended December 31, 2024 and 2023, respectively.
- B. The Group entered into contracts relating to derivative liabilities which were not accounted for under hedge accounting. The information is listed below:

	December 31, 2024	
	Contract amount (Notional principal)	Contract period
Derivatives		
Liabilities- Current items:		
Foreign exchange swap contracts	USD <u>6,000 thousand</u>	2024.11.06~2025.02.18

December 31, 2023: None.

The Group entered into forward exchange contracts and foreign exchange swap contracts to hedge exchange rate risk of export proceeds. However, these contracts are not accounted for under hedge accounting.

(16) Other payables

	December 31, 2024	December 31, 2023
Salaries and bonuses payable	\$ 73,538	\$ 73,221
Payable on equipment	15,569	5,279
Others	106,792	103,953
	<u>\$ 195,899</u>	<u>\$ 182,453</u>

(17) Bonds payable

	December 31, 2024	December 31, 2023
Bonds payable	\$ 794,400	\$ 794,400
Less: Discount on bonds payable	(30,137)	(42,271)
	764,263	752,129
Less: Bonds with a maturity date or put option exercisable within one year or one operating cycle.	(764,263)	-
	<u>\$ -</u>	<u>\$ 752,129</u>

A. Domestic convertible bonds issued by the Company

The terms of the third domestic unsecured convertible bonds issued by the Company are as follows:

- (a) The Company issued \$800,000 at 100.8% of face value, the third domestic unsecured convertible bonds, as approved by the regulatory authority. The bonds mature 5 years from the issue date (May 24, 2022 - May 24, 2027) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on May 24, 2022.
- (b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months of the bonds issue to the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
- (c) The effective date for the conversion price of the convertible bonds was set on May 16, 2022. The conversion price was set up based on multiplying a benchmark price which was the closing price of the Company's common share calculated at simple arithmetic mean of one of 1, 3, 5 trading days before the effective date (effective date is excluded) by convertible premium rate of 106%. If there is an ex-right or ex-dividend before the pricing effective date, the closing price adopted to calculate conversion price shall be imputed with ex-right or ex-dividend; if there is an ex-right or ex-dividend during the period that the conversion price was set up but prior to share issuance, the conversion

price shall be adjusted based on the conversion price adjustment formula. The conversion price was NT\$63.9 (in dollars) per share based on the aforementioned method. After the effective date of the ex-right and ex-dividend, September 20, 2022, the conversion price was adjusted from NT\$63.9 (in dollars) to NT\$59.9 (in dollars). After the effective date of the ex-right and ex-dividend, September 9, 2023, the conversion price was adjusted from NT\$59.9 (in dollars) to NT\$59.1 (in dollars). After the effective date of the cash capital increase, August 6, 2024, the conversion price was adjusted from NT\$59.1 (in dollars) to NT\$58 (in dollars).

- (d) The Company may repurchase the bonds held by bondholders in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period within 30 days after three months of the bonds issue to 40 days before the maturity date.
 - (e) The date of full three years after the issuance of the convertible bonds shall be the early redemption reference date for bondholders to request the Company to redeem their convertible bonds in cash at a redemption price (100.751877% of the face value of the bonds, including interest) 40 days prior to the redemption reference date.
 - (f) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.
- B. Regarding the issuance of convertible bonds, the equity conversion options amounting to \$60,648 were separated from the liability component and were recognized in 'capital surplus— share options' in accordance with IAS 32. The call and put options and put options embedded in bonds payable were separated from their host contracts and were recognized in 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts.
- C. As of December 31, 2024, the Company's the third domestic unsecured convertible bonds have not been exercised.
- D. For the year ended December 31, 2022, the amount of convertible bonds repurchased by the Company (including repurchased from Taipei Exchange) was \$5,600.

(18) Long-term borrowings

Types of borrowings	Repayment term	December 31, 2024	December 31, 2023
Installment loans			
Secured borrowings - Land Bank of Taiwan	Installment before 2/17/2031	\$ 8,063	\$ 9,260
Secured borrowings - Sunny Bank	Installment before 9/23/2027	-	26,000
Long-term unsecured borrowings from Mega International Commercial Bank	Installment before 10/14/2025	-	88,889
Long-term unsecured borrowings from KGI Bank	Installment before 8/8/2024	-	50,000
Long-term unsecured borrowings from Taichung Commercial Bank Co., Ltd	Installment before 8/30/2025	-	59,136
Long-term unsecured borrowings from First Commercial Bank	Installment before 10/4/2025	-	61,337
Long-term unsecured borrowings from First Commercial Bank	Installment before 6/26/2026	28,071	77,249
Long-term unsecured borrowings from Taiwan Cooperative Bank Co., Ltd.	Installment before 9/15/2025	-	175,000
Long-term unsecured borrowings from Chang Hwa Bank	Installment repayments before 3/8/2026	-	100,000
		36,134	646,871
Less: Current portion		(20,532)	(332,477)
		<u>\$ 15,602</u>	<u>\$ 314,394</u>

- A. Interest rate ranges as of December 31, 2024 and 2023 for the above borrowings were 2.38%-2.47% and 2.18%-2.42%, respectively.
- B. Information about the collateral pledged for the aforementioned secured borrowings is provided in Note 8.

(19) Pensions

- A. (a) The Company has a defined benefit pension plan 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 Company contributes 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 retirement fund committee.

(b) The amounts recognized in the balance sheet are as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligation	(\$ 79,841)	(\$ 86,924)
Fair value of plan assets	<u>58,191</u>	<u>55,616</u>
Net defined benefit liability (shown as other non-current liabilities)	<u>(\$ 21,650)</u>	<u>(\$ 31,308)</u>

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
2024			
Balance at January 1	(\$ 86,924)	\$ 55,616	(\$ 31,308)
Current service cost	(343)	-	(343)
Interest (expense) income	<u>(1,030)</u>	<u>665</u>	<u>(365)</u>
	<u>(88,297)</u>	<u>56,281</u>	<u>(32,016)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	5,554	5,554
Change in demographic assumptions	(7)	-	(7)
Change in financial assumptions	2,347	-	2,347
Experience adjustments	<u>686</u>	<u>-</u>	<u>686</u>
	<u>3,026</u>	<u>5,554</u>	<u>8,580</u>
Amount of benefit payment	5,430	(5,430)	-
Pension fund contribution	<u>-</u>	<u>1,786</u>	<u>1,786</u>
Balance at December 31	<u>(\$ 79,841)</u>	<u>\$ 58,191</u>	<u>(\$ 21,650)</u>

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
2023			
Balance at January 1	(\$ 102,167)	\$ 64,829	(\$ 37,338)
Current service cost	(546)	-	(546)
Interest (expense) income	(1,261)	807	(454)
	(103,974)	65,636	(38,338)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	520	520
Change in demographic assumptions	(10)	-	(10)
Change in financial assumptions	(345)	-	(345)
Experience adjustments	4,983	-	4,983
	4,628	520	5,148
Amount of benefit payment	12,422	(12,422)	-
Pension fund contribution	-	1,882	1,882
Balance at December 31	(\$ 86,924)	\$ 55,616	(\$ 31,308)

- (d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and utilization of the Labor Retirement Fund" (Article 6: The scope of utilization 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 securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2024 and 2023 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

- (e) The principal actuarial assumptions used were as follows:

	Years ended December 31	
	2024	2023
Discount rate	<u>1.60%</u>	<u>1.20%</u>
Future salary increases	<u>2.50%</u>	<u>2.50%</u>

Assumption regarding future mortality rate is set based on the 6th Taiwan Standard Ordinary Experience Morality Table for the years ended December 31, 2024 and 2023, respectively.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2024				
Effect on present value of defined benefit obligation	<u>(\$ 1,415)</u>	<u>\$ 1,455</u>	<u>\$ 1,438</u>	<u>(\$ 1,406)</u>
December 31, 2023				
Effect on present value of defined benefit obligation	<u>(\$ 1,707)</u>	<u>\$ 1,758</u>	<u>\$ 1,731</u>	<u>(\$ 1,690)</u>

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

- (f) Expected contributions to the defined benefit pension plans of the Company for the year ended December 31, 2025 amount to \$1,801.
- (g) As of December 31, 2024, the weighted average duration of the retirement plan is 7 years. The analysis of timing of the future pension payment was as follows:

	Amount
Within 1 year	\$ 2,591
1-2 year(s)	2,480
2-5 years	28,101
Over 5 years	<u>55,853</u>
	<u>\$ 89,025</u>

- B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes 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 benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2024 and 2023, were \$18,594 and \$18,201, respectively.

(20) Share capital

- A. As of December 31, 2024, the Company's authorized capital was \$6,500,000, consisting of 650 million shares of ordinary stock (including 65 million shares reserved for employee stock options), and the paid-in capital was \$3,255,958 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	Unit: Thousand shares	
	2024	2023
January 1	288,933	284,062
Cash capital increase	35,000	-
Capitalization of earnings	-	3,979
Exercise of employee share options	1,663	892
December 31	<u>325,596</u>	<u>288,933</u>

- B. For the year ended December 31, 2024, the employees exercised 1,214 thousand shares of stock options in accordance with the terms of stock options. 1,663 thousand shares have been registered (including 449 thousand shares paid but yet to be registered at the beginning of the period).
- C. For the year ended December 31, 2023, the employees exercised 1,191 thousand shares of stock options in accordance with the terms of stock options. 892 thousand shares have been registered (including 150 thousand shares paid but yet to be registered at the beginning of the period). Proceeds from the remaining 449 thousand shares amounting to \$17,143 have been collected as of December 31, 2023 and the effective date of the capital increase for conversion was set on March 14, 2024 as resolved by the Board of Directors on March 13, 2024.
- D. On May 8, 2024, the Board of Directors of the Company resolved to conduct a cash capital increase by issuing common shares, with the maximum number of shares set at 43 million. Subsequently, it was decided to issue 35 million shares at an issue price of NT\$38 per share. The cash capital raised, amounting to NT\$1,330,000, was fully received on August 6, 2024, which was also set as the record date for the cash capital increase. The aforementioned cash capital increase was successfully registered and completed on August 22, 2024.

(21) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

Item	Share premium	Net change in equity of associates	Changes in ownership interests in subsidiaries	Employee stock options	Convertible bonds	Treasury share transactions	Others
January 1, 2024	\$ 304,339	\$ 95,082	\$ 155,264	\$ 99,798	\$ 60,648	\$ 183	\$ 3,169
Capital surplus for loss compensation	(304,339)	-	-	-	-	-	(3,169)
Cash capital increase	974,775	-	-	-	-	-	-
Employee stock options exercised	34,240	-	-	-	-	-	-
Employee stock options expired upon maturity	18,629	-	-	(19,571)	-	-	942
Net change in equity of associates	-	1,213	-	-	-	-	-
Cost of share-based compensation	4,278	-	-	10,920	-	-	-
Changes in ownership interests in subsidiaries	-	-	(38,182)	-	-	-	-
Capital contribution from non-controlling interests	-	-	20,923	-	-	-	-
December 31, 2024	<u>\$ 1,031,922</u>	<u>\$ 96,295</u>	<u>\$ 138,005</u>	<u>\$ 91,147</u>	<u>\$ 60,648</u>	<u>\$ 183</u>	<u>\$ 942</u>

Item	Share premium	Net change in equity of associates	Changes in ownership interests in subsidiaries	Employee stock options	Convertible bonds	Treasury share transactions	Others
January 1, 2023	\$ 291,802	\$ 88,154	\$ 167,411	\$ 75,632	\$ 60,648	\$ 348	\$ 3,169
Employee stock options exercised	12,537	-	-	-	-	-	-
Net change in equity of associates	-	6,928	-	-	-	-	-
Cost of share-based compensation	-	-	-	24,166	-	-	-
Changes in ownership interests in subsidiaries	-	-	(32,696)	-	-	-	-
Repurchase of convertible bonds	-	-	-	-	-	(165)	-
Capital contribution from non-controlling interests	-	-	20,549	-	-	-	-
December 31, 2023	<u>\$ 304,339</u>	<u>\$ 95,082</u>	<u>\$ 155,264</u>	<u>\$ 99,798</u>	<u>\$ 60,648</u>	<u>\$ 183</u>	<u>\$ 3,169</u>

(22) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset operating losses and then 10% of the remaining amount shall be set aside as legal reserve. Also, the Company shall set aside or reverse special reserve as resolved by the stockholders, or by order of the competent authority. The appropriation of remaining earnings along with accumulated unappropriated earnings from prior years shall be proposed by the Board of Directors and approved by the shareholders.
- B. The Company's dividend policy is set out by the Board of Directors according to the Company's medium- and long-term operational plan, investment plans, capital budget as well as internal and external situations, while considering the interests of stockholders. Except for the aforementioned regulations, cash dividends shall not be less than 5% of total dividends when appropriating the dividends to stockholders.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- E. The appropriation of 2022 earnings as proposed by the stockholders on June 27, 2023 is as follows:

	Years ended December 31, 2022	
	Amount	Dividend per share (in dollars)
Legal reserve	\$ 18,503	
Cash dividends	5,684	\$ 0.02
Stock dividends	<u>39,790</u>	0.14
Total	<u>\$ 63,977</u>	

- F. On June 25, 2024, the Company's shareholders' meeting resolved to approve the loss make-up proposal for 2023, using NT\$96,910 from the legal reserve and NT\$307,508 from the capital surplus.
- G. The loss make-up proposal for 2023, which was approved by the shareholders' meeting on June 25, 2024, can be found on the Market Observation Post System (MOPS) of the Taiwan Stock Exchange.

(23) Other equity interest

	Currency translation differences of foreign operations	Financial assets at fair value through other comprehensive income	Total
January 1, 2024	(\$ 67,931)	\$ 236,161	\$ 168,230
Revaluation - the parent company	-	916	916
Revaluation - Subsidiaries	-	(144,081)	(144,081)
Revaluation - Associates	-	4,407	4,407
Revaluation transferred to retained earnings – disposal of financial assets	-	1	1
Currency translation differences:			
– Group	52,309	-	52,309
– Associates	<u>5,299</u>	<u>-</u>	<u>5,299</u>
December 31, 2024	<u>(\$ 10,323)</u>	<u>\$ 97,404</u>	<u>\$ 87,081</u>

	Currency translation differences of foreign operations	Financial assets at fair value through other comprehensive income	Total
January 1, 2023	(\$ 67,871)	\$ 100,617	\$ 32,746
Revaluation - Subsidiaries	-	83,547	83,547
Revaluation - Associates	-	(5,003)	(5,003)
Revaluation transferred to retained earnings – disposal of financial assets	-	57,000	57,000
Currency translation differences:			
– Group	(512)	-	(512)
– Associates	<u>452</u>	<u>-</u>	<u>452</u>
December 31, 2023	<u>(\$ 67,931)</u>	<u>\$ 236,161</u>	<u>\$ 168,230</u>

(24) Share-based payment

A. (a) For the years ended December 31, 2024 and 2023, the Company's share-based payment arrangements are as follows:

Types of arrangement	Grant date	Quantity granted (share in thousands)	Contract period	Vesting conditions
The 4th employee stock options plan	2016.3.23	7,300	8 years	Note 1
The 4th employee stock options plan	2016.8.10	300	8 years	Note 1
The 4th employee stock options plan	2016.11.10	400	8 years	Note 1
Employee stock options plan in 2021	2021.8.09	8,000	6 years	Note 2
Cash capital increase with a portion reserved for employee subscription	2024.7.22	5,250	Not applicable	Immediately vested

The share-based payment arrangements above are settled by equity.

Note 1: 40% vested after two years of issuance; 70% after three years; 100% after four years.

Note 2: 50% vested after two years of issuance; 75% after three years; 100% after four years.

- (b) For the years ended December 31, 2024 and 2023, details of the share options plan are as follows:

Options	December 31, 2024		December 31, 2023	
	No. of options (share in thousands)	Weighted-average exercise price (in dollars)	No. of options (share in thousands)	Weighted-average exercise price (in dollars)
Outstanding at the beginning of the year	7,733	\$ 40.04	9,544	\$ 39.44
Options exercised	(1,214)	27.78	(1,191)	29.40
Options expired	(290)	23.60	-	-
Options forfeited due to resignations	(44)	43.20	(620)	-
Outstanding at the end of the year	<u>6,185</u>	42.40	<u>7,733</u>	40.04
Exercisable at the end of the year	<u>4,488</u>	42.40	<u>4,317</u>	37.55

- (c) Details of stock options outstanding are as follows:

Date	Weighted-average period remaining contractual life	Range of exercise prices (in dollars) (Note)
December 31, 2024	2.61 years	\$42.40
December 31, 2023	3.06 years	\$23.60~43.20

Note: The range of exercise prices was adjusted according to annual stock dividends and cash dividends after the grant date.

- (d) The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

	Grant date	Grant date	Grant date
	March 23, 2016	August 10, 2016	November 10, 2016
Dividend yield	0%	0%	0%
Expected price volatility	44.51% ~ 44.71%	43.38% ~ 45.60%	41.80% ~ 44.32%
Risk-free interest rate	0.375% ~ 0.400%	0.375% ~ 0.500%	0.375% ~ 0.625%
Expected option lifetime	8 years	8 years	8 years
Fair value (dollar/share)	3.73-4.92 (in dollars)	3.45-4.64 (in dollars)	3.02-4.18 (in dollars)

	Grant date	Grant date
	August 9, 2021	July 22, 2024
Dividend yield	0%	0%
Expected price volatility	51.78% ~ 59.71%	7.57%
Risk-free interest rate	0.125%	0.126%
Expected option lifetime	6 years	0.03 years
Fair value (dollar/share)	16.03-18.77 (in dollars)	1.51 (in dollars)

- B. For the years ended December 31, 2024 and 2023, expenses incurred on equity-settled share-based payment transactions amounted to \$15,198 and \$24,166, respectively.

(25) Operating revenue

	Years ended December 31	
	2024	2023
Revenue from contracts with customers	<u>\$ 3,325,533</u>	<u>\$ 2,573,481</u>

- A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods at a point in time as follows:

	Years ended December 31	
	2024	2023
Integrated circuits	<u>\$ 3,325,533</u>	<u>\$ 2,573,481</u>

- B. Contract liabilities

The Company has recognized the following revenue-related contract liabilities:

	December 31, 2024	December 31, 2023	December 31, 2022
Contract liabilities	<u>\$ 58,985</u>	<u>\$ 1,551</u>	<u>\$ 2,051</u>

	Years ended December 31	
	2024	2023
Revenue recognized that was included in the contract liability balance at the beginning of the year	<u>\$ 1,551</u>	<u>\$ 2,048</u>

(26) Other income and expenses - net

	Years ended December 31	
	2024	2023
Rent income, net	<u>\$ 67,913</u>	<u>\$ 69,802</u>

(27) Interest income

	Years ended December 31	
	2024	2023
Interest income from bank deposits	<u>\$ 5,243</u>	<u>\$ 2,640</u>

(28) Other income

	Years ended December 31	
	2024	2023
Dividend income	\$ 64	\$ 621
Other income - others	<u>5,298</u>	<u>23,499</u>
	<u>\$ 5,362</u>	<u>\$ 24,120</u>

(29) Other gains and losses

	Years ended December 31	
	2024	2023
Net gains (losses) on financial assets (liabilities) at fair value through profit or loss	(\$ 18,687)	\$ 18,149
Foreign exchange (losses) gains - net	8,180	(11,078)
Gains on disposals of investments	1,797	-
Gains (losses) arising from lease modifications	(122)	31
Gain on disposal of property, plant, and equipment	<u>154</u>	<u>143,968</u>
	<u>(\$ 8,678)</u>	<u>\$ 151,070</u>

(30) Expenses by nature

	Years ended December 31	
	2024	2023
Employee benefit expense	<u>\$ 506,979</u>	<u>\$ 501,621</u>
Depreciation charges on property, plant and equipment (Note)	<u>\$ 124,909</u>	<u>\$ 126,813</u>
Amortization charges on intangible assets	<u>\$ 61,199</u>	<u>\$ 56,245</u>

Note: Including the depreciation charges presented as a deduction item to rent income under other income.

(31) Employee benefit expense

Years ended December 31

	2024	2023
Post-employment benefits		
Defined contribution plans	\$ 18,594	\$ 18,201
Defined benefit plans	<u>708</u>	<u>1,000</u>
	19,302	19,201
Other personnel expenses	<u>487,677</u>	<u>482,420</u>
	<u>\$ 506,979</u>	<u>\$ 501,621</u>

- A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 12% for employees' compensation and shall not be higher than 2% for directors' remuneration. The employees' compensation can be distributed in the form of shares or cash. Including the employees of subsidiaries of the company meeting certain specific requirements, are entitled to receive aforementioned shares or cash.
- B. Due to the loss incurred by the Company in both 2024 and 2023, no provision was made for employee remuneration and director remuneration.
- C. Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted on the Market Observation Post System website of the Taiwan Stock Exchange.

(32) Finance costs

	Years ended December 31	
	2024	2023
Interest expense on bank loan	\$ 43,411	\$ 60,113
Interest expense on bonds payable	12,134	11,937
Interest expense from lease liabilities	<u>3,775</u>	<u>4,219</u>
	<u>\$ 59,320</u>	<u>\$ 76,269</u>

(33) Income tax

A. Components of income tax expense:

	Years ended December 31	
	2024	2023
Current tax:		
Overestimated income tax from the previous fiscal year	<u>(\$ 2,764)</u>	<u>(\$ 2,401)</u>
Deferred tax:		
Origination and reversal of temporary differences	9,733	18,904
Change in tax losses	<u>(6,969)</u>	<u>(16,503)</u>
Total deferred tax	<u>2,764</u>	<u>2,401</u>
Income tax expense	<u>\$ -</u>	<u>\$ -</u>

B. Relationship between income tax expense and accounting profit:

	Years ended December 31	
	2024	2023
Tax calculated based on net loss before tax and statutory tax rate	(\$ 108,128)	(\$ 178,583)
Effects from items disallowed by tax regulation	4,128	10,471
Temporary difference not recognized as deferred tax assets	35,839	51,096
Taxable loss not recognized as deferred tax assets	70,925	119,417
Overestimated income tax from the previous fiscal year	(2,764)	(2,401)
Income tax expense	<u>\$ -</u>	<u>\$ -</u>

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

	2024		
	January 1	Recognized in profit or loss	December 31
Temporary differences:			
-Deferred income tax assets:			
Unrealized allowance for inventory valuation losses	\$ 74,465	(\$ 12,369)	\$ 62,096
Others	18,943	3,263	22,206
Tax losses	<u>117,734</u>	<u>6,969</u>	<u>124,703</u>
Subtotal	<u>211,142</u>	<u>(2,137)</u>	<u>209,005</u>
-Deferred income tax liabilities:			
Unrealized exchange gains	(221)	(627)	(848)
Total	<u>\$ 210,921</u>	<u>(\$ 2,764)</u>	<u>\$ 208,157</u>

	2023		
	January 1	Recognized in profit or loss	December 31
Temporary differences:			
-Deferred income tax assets:			
Unrealized allowance for inventory valuation losses	\$ 90,202	(\$ 15,737)	\$ 74,465
Others	25,333	(6,390)	18,943

Tax losses	<u>101,231</u>	<u>16,503</u>	<u>117,734</u>
Subtotal	<u>216,766</u>	<u>(5,624)</u>	<u>211,142</u>
-Deferred income tax liabilities:			
Unrealized exchange gains	<u>(3,444)</u>	<u>3,223</u>	<u>(221)</u>
Total	<u>\$ 213,322</u>	<u>(\$ 2,401)</u>	<u>\$ 210,921</u>

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

December 31, 2024				
Year incurred	Amount filed/assessed	Unused amount	Unrecognized deferred tax assets	Expiry year
2015	\$ 52,485	\$ 8,529	\$ 8,529	2025
2016	65,732	65,732	65,732	2026
2017	258,459	258,459	258,459	2027
2018	353,228	353,228	353,228	2028
2019	593,449	593,449	155,204	2029
2020	250,883	250,883	65,613	2030
2023	620,321	620,321	620,321	2033
2024	<u>354,624</u>	<u>354,624</u>	<u>354,624</u>	2034
	<u>\$ 2,549,181</u>	<u>\$ 2,505,225</u>	<u>\$ 1,881,710</u>	

December 31, 2023				
Year incurred	Amount filed/assessed	Unused amount	Unrecognized deferred tax assets	Expiry year
2015	\$ 52,485	\$ 8,529	\$ 8,529	2025
2016	65,732	65,732	65,732	2026
2017	258,459	258,459	258,459	2027
2018	353,228	353,228	353,228	2028
2019	593,449	593,449	255,662	2029
2020	250,883	250,883	-	2030
2023	<u>597,082</u>	<u>597,082</u>	<u>597,082</u>	2033
	<u>\$ 2,171,318</u>	<u>\$ 2,127,362</u>	<u>\$ 1,538,692</u>	

- E. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

(34) Loss per share

December 31, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Loss per share (in dollars)
<u>Basic loss per share</u>			
Net loss for the year	<u>(\$ 540,640)</u>	<u>304,599</u>	<u>(\$ 1.77)</u>
<u>Diluted loss per share</u>			
Net loss for the year	<u>(\$ 540,640)</u>	<u>304,599</u>	<u>(\$ 1.77)</u>

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic loss per share</u>			
Net loss for the year	(\$ 892,914)	288,616	(\$ 3.09)
<u>Diluted loss per share</u>			
Net loss for the year	(\$ 892,914)	288,616	(\$ 3.09)

Note 1: For the year ended December 31, 2024 and 2023, if convertible bonds and employee stock options were accrued, there would be anti-dilutive effect, thus, they would not be included in the calculation of dilutive number of shares.

Note 2: For the years ended December 31, 2023, the weighted average numbers of outstanding shares were retrospectively adjusted in proportion to 101.4% of the capitalized amount of unappropriated earnings in September 2023.

(35) Supplemental cash flow information

Investing activities with partial cash payments:

	December 31, 2024	December 31, 2023
Purchase of property, plant, equipment and intangible assets	\$ 98,408	\$ 143,297
Add: Opening balance of payable	5,279	25,268
Less: Ending balance of payable	(15,569)	(5,279)
Cash paid during the year	<u>\$ 88,118</u>	<u>\$ 163,286</u>

(36) Changes in liabilities from financing activities

	Short-term borrowings	Bonds payable	Long-term loans (note)	Lease liability	Guarantee deposits received
January 1, 2024	\$ 955,224	\$ 752,129	\$ 646,871	\$ 197,878	\$ 79,042
Changes in cash flows	(495,071)	-	(610,737)	(23,185)	3
Discount on bonds payable	-	-	-	-	-
Amortization of bond discount payable	-	12,134	-	-	-
New lease agreement	-	-	-	807	-
Modification of lease contract	-	-	-	(257)	-
Account reclassification	-	-	-	-	(61,617)
December 31, 2024	<u>\$ 460,153</u>	<u>\$ 764,263</u>	<u>\$ 36,134</u>	<u>\$ 175,243</u>	<u>\$ 17,428</u>

	Short-term borrowings	Bonds payable	Long-term loans (note)	Lease liability	Guarantee deposits received
January 1, 2023	\$1,083,088	\$ 739,984	\$ 769,680	\$ 215,139	\$ 78,987
Changes in cash flows	(127,864)	-	(122,809)	(22,568)	55
Discount on bonds payable	-	208	-	-	-
Amortization of bond discount payable	-	11,937	-	-	-
New lease agreement	-	-	-	5,374	-
Modification of lease contract	-	-	-	(67)	-
December 31, 2023	<u>\$ 955,224</u>	<u>\$ 752,129</u>	<u>\$ 646,871</u>	<u>\$ 197,878</u>	<u>\$ 79,042</u>

Note: Including current portion.

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Eutrend Technology Inc.	A subsidiary directly owned by the Company
Kinglord Corp.	A subsidiary directly owned by the Company
Plusway Corp.	A subsidiary directly owned by the Company
Kingwell Investment Corp.	A subsidiary directly owned by the Company
Kingcharm Investment Corp.	A subsidiary directly owned by the Company
eEver Technology Limited	A subsidiary directly owned by the Company
eYs3D Microelectronics, Inc.	A subsidiary directly owned by the Company
DeCloak Intelligences Co.	A subsidiary directly owned by the Company
T-Era Architecture Technology, Inc.	A subsidiary directly owned by the Company
TAT Technology, Inc.	A subsidiary directly owned by the Company
ValueCreation Technology, Inc.	A subsidiary directly owned by the Company
Creative Ally Limited	A subsidiary directly owned by the Company
Invention and Collaboration Laboratory, Inc.	Subsidiary indirectly held by the Company
eEver Technology, Inc.	Subsidiary indirectly held by the Company
nD-HI Technologies Lab, Inc.	Subsidiary indirectly held by the Company
eYs3D Microelectronics Co.	Subsidiary indirectly held by the Company
Etron Technology America, Inc.	Subsidiary indirectly held by the Company
Etron Technology (HK) Limited	Subsidiary indirectly held by the Company
Anzon Corporation	Subsidiary indirectly held by the Company
Insignis Technology, Inc.	Subsidiary indirectly held by the Company
Fullboom Electronics (Shenzhen) Co., Ltd.	Subsidiary indirectly held by the Company
T-Era Architecture Technology Corp.	Subsidiary indirectly held by the Company
TAT Technology Corp.	Subsidiary indirectly held by the Company
Invention and Collaboration Laboratory Pte. Ltd.	Subsidiary indirectly held by the Company
Giga Solution Tech. Co., Ltd.	The chairman of the investee and the chairman of the Company are relatives within the second degree of kinship
eCapture Co., Limited Taiwan Branch, based in Hong Kong	Subsidiary indirectly held by the Company
Kai Chun Investment Corp.	The Company's corporate director
Global Etron Enterprise Co.	Subsidiary indirectly held by the Company

(2) Significant related party transactions

A. Operating revenue

	Years ended December 31	
	2024	2023
Sales of goods:		
— Subsidiaries	<u>\$ 95,496</u>	<u>\$ 130,019</u>

Goods sold to related parties are based on normal commercial terms and conditions.

B. Receivables from related parties

	December 31, 2024	December 31, 2023
Accounts receivable:		
— Subsidiaries	<u>28,805</u>	<u>24,254</u>
Other receivables:		
— Subsidiaries		
eYs3D Microelectronics Co.	4,567	15,346
eEver Technology, Inc.	3,316	6,604
Others	58	-
— Other related parties	<u>726</u>	<u>6,535</u>
	<u>8,667</u>	<u>28,485</u>
Total	<u>\$ 37,472</u>	<u>\$ 52,739</u>

Receivable from related parties primarily arise from the sale of goods and are collected approximately 30 to 90 days after shipment. The receivables are unsecured in nature and bear no interest. Other receivables refer to rent income and service revenue.

C. Prepayments to related parties

	December 31, 2024	December 31, 2023
— Subsidiaries	<u>\$ 4,861</u>	<u>\$ -</u>

This is a prepayment for service expenses.

D. Payables to related parties

	December 31, 2024	December 31, 2023
Other payables:		
— Subsidiaries	<u>\$ 3,851</u>	<u>\$ 4,496</u>

Payables to related parties arise mainly from commissions.

E. Guarantee deposits received

	December 31, 2024	December 31, 2023
Subsidiaries	\$ 238	\$ 235
Other related party		
Giga Solution Tech. Co., Ltd.	16,487	16,487
Others	<u>3</u>	<u>3</u>
	<u>\$ 16,728</u>	<u>\$ 16,725</u>

It refers to lease deposits.

F. Other transactions

	Years ended December 31	
	2024	2023
Commissions expense and service expense:		
— Subsidiaries	\$ 115,061	\$ 54,463
Support service income (Note):		
— Subsidiaries	7,206	7,095
Rent income:		
— Subsidiaries		
eEver Technology, Inc.	15,440	15,527
eYs3D Microelectronics Co.	19,213	20,773
Other subsidiary	1,055	790
— Other related parties		
Giga Solution Tech. Co., Ltd.	69,287	69,475
Others	11	11
Interest income:		
— eEver Technology Limited	761	-
Other income:		
— Subsidiaries	177	8,348

Note: Expenses are accounted for as a deduction.

G. Capital Investment to Related Parties

Subsidiaries	Accounting Subject	Number of shares traded	Year ended December 31, 2024 Consideration
Subsidiaries:			
eYs3D Microelectronics, Inc.	Investments accounted for using the equity method	8,888,888	\$ 129,717
eEver Technology Limited	Investments accounted for using the equity method	3,157,714	43,467
DeCloak Intelligences Co.	Investments accounted for using the equity method	1,340,879	20,113
Kinglord Corp.	Investments accounted for using the equity method	800	24,864
Creative Ally Limited	Investments accounted for using the equity method	400	12,876
Plusway Corp.	Investments Accounted for Using the Equity Method	300	9,516
			<u>\$ 240,553</u>

Subsidiaries	Accounting Subject	Number of shares traded	Year ended December 31, 2023 Consideration
Subsidiaries:			
eYs3D Microelectronics, Inc.	Investments accounted for using the equity method	8,888,888	\$ 124,131
DeCloak Intelligences Co.	Investments accounted for using the equity method	1,161,150	17,417
Creative Ally Limited	Investments accounted for using the equity method	500	15,220
T-Era Architecture Technology, Inc.	Investments accounted for using the equity method	1,232,000	4,940
TAT Technology, Inc.	Investments accounted for using the equity method	704,000	2,823
ValueCreation Technology, Inc.	Investments accounted for using the equity method	1,500,000	15,000
			<u>\$ 179,531</u>

(3) Information on remuneration to the management

	Years ended December 31	
	2024	2023
Salaries and other short-term employee benefits	\$ 36,058	\$ 40,540

Post-employment benefits	712	788
Service expenses	1,656	1,656
Cost of share-based compensation	1,841	4,769
Total	<u>\$ 40,267</u>	<u>\$ 47,753</u>

8. **Pledged Assets**

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

Pledged asset	Book value		Purpose
	December 31, 2024	December 31, 2023	
Time deposits (shown as current financial assets at amortized cost)	\$ 2,000	\$ 2,000	Customs duty guarantee
Time deposits (shown as non-current financial assets at amortized cost)	5,941	5,941	Land lease agreement guarantee
Buildings and structures	17,614	43,995	Long-term borrowings
	<u>\$ 25,555</u>	<u>\$ 51,936</u>	

9. **Significant Contingent Liabilities and Unrecognized Contract Commitments**

In February 2017, Securities and Futures Investors Protection Center (the "SFIPC") filed a civil lawsuit against the Company, the former subsidiary, TM Technology, Inc. and other defendants, claiming that they are jointly liable for compensation, on behalf of the investors of the former subsidiary, TM Technology, Inc., as the company's former director Mr. Wu was sued for violating the Securities and Exchange Act in January 2016. On March 18, 2019, Taiwan HsinChu District Court dismissed the lawsuit. However, the SFIPC filed an appeal with Taiwan High Court, which was dismissed on February 26, 2021. On March 24, 2021, SFIPC disagreed with the ruling rendered by the Taiwan High Court and filed an application for an appeal; On March 16, 2023, the Company received a notice of judgment in chief from the Supreme Court, which ruled that the original judgment was annulled and remanded to the High Court for trial.

Important Contracts

The Company entered into a production capacity reservation agreement with a supplier. Under the agreement, the supplier provides production capacity to the Company after the Company makes a deposit in advance. Please refer to Note 6(12) for details of the guarantee deposits paid by the Company.

10. **Significant Disaster Loss**

None.

11. **Significant Events after the Balance Sheet Date**

None.

12. Others

(1) Capital management

The Company must maintain adequate capital to expand product lines and that sales could achieve economic of scale. The Company's objectives when managing capital are to secure necessary financial resources to meet the needs of operating funds for the next year, capital expenditure, research and development activities expenditures and debt repayment.

(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 fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	<u>\$ 7,200</u>	<u>\$ 12,468</u>
Financial assets at fair value through other comprehensive income		
Select designated equity instrument investments	<u>\$ 58,790</u>	<u>\$ -</u>
Financial assets at amortized cost/Loans and receivables		
Cash and cash equivalents	\$ 412,495	\$ 399,076
Financial assets at amortized cost	7,941	7,941
Notes receivable	28,361	1,818
Accounts receivable (including related parties)	731,599	629,462
Other receivables (including related parties)	9,359	40,168
Guarantee deposits paid (shown as other non-current assets)	<u>419,262</u>	<u>419,128</u>
	<u>\$ 1,609,017</u>	<u>\$ 1,497,593</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	\$ 2,615	\$ -
Financial liabilities designated at fair value through profit or loss	<u>13,743</u>	<u>2,939</u>
	<u>\$ 16,358</u>	<u>\$ 2,939</u>
Financial liabilities at amortized cost		
Short-term borrowings	\$ 460,153	\$ 955,224
Notes payable	3,904	5,327
Accounts payable	589,869	393,838
Other payables (including related parties)	195,899	182,453
Bonds payable	764,263	752,129

Long-term borrowings (including current portion)	36,134	646,871
Guarantee deposits received (shown as other non-current liabilities)	17,428	79,042
	<u>\$ 2,067,650</u>	<u>\$ 3,014,884</u>
Lease liability	<u>\$ 175,243</u>	<u>\$ 197,878</u>

B. Financial risk management policies

- (a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's entire risk management policies focus on unpredictable matters in financial market and reducing the potential negative effects on the Company's financial condition and financial performance.
- (b) Risk management is carried out by a central treasury department (the Company treasury) under policies approved by the Board of Directors. During the implementation of financial plans, the central treasury department complied with certain treasury procedures that provide guiding principles for overall financial risk management and segregation of duties.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

- i. The Company is exposed to the exchange rate risk arising from operating activities which were denominated in non-functional currency. Those transactions were mainly denominated in New Taiwan dollars, US Dollars and RMB. In addition, the Company implements natural hedge in accordance with the capital needs of each currency and the net position of assets and liabilities denominated in foreign currencies, and implements hedge on the risk exposures in accordance with the foreign exchange market conditions.
- ii. The Company employs foreign currency derivative financial instruments, including forward exchange contracts or foreign exchange swap contracts to hedge exchange rate risk arising from monetary financial assets and liabilities and forecast transactions that are not denominated in NTD. These hedges can minimize the effects of changes in foreign exchange rates on assets and liabilities, but the risk cannot be eliminated entirely.
- iii. The Company's businesses involve some non-functional currency operations (the Company's functional currency: New Taiwan dollars). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2024		
	Foreign currency		Book value
(Foreign currency: functional currency)	amount (In thousands)	Exchange rate	(NTD)
<u>Financial assets</u>			

<u>Monetary items</u>			
USD:NTD	\$	24,188	32.785 \$ 793,004
<u>Non-monetary items</u>			
USD:NTD		29,780	32.785 976,323
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD		18,250	32.785 598,326
December 31, 2023			
(Foreign currency: functional currency)	Foreign currency		
	amount (In		Book value
	thousands)	Exchange rate	(NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$	27,385	30.705 \$ 840,856
<u>Non-monetary items</u>			
USD:NTD		29,887	30.705 917,670
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD		17,158	30.705 526,836

- iv. The unrealized exchange gain arising from the monetary items with significant influence held by the Company for the years ended December 31, 2024 and 2023, amounted to \$4,263 and \$1,254, respectively.

Analysis of foreign currency market risk arising from significant foreign exchange variation:

Year ended December 31, 2024			
(Foreign currency: functional currency)	Sensitivity analysis		
	Degree of variation	Effects on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 7,930	\$ -
<u>Non-monetary items</u>			
USD:NTD	1%	-	9,763
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	5,983	-
Year ended December 31, 2023			
(Foreign currency: functional currency)	Sensitivity analysis		
	Degree of variation	Effects on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			

<u>Monetary items</u>				
USD:NTD	1%	\$	8,409	\$ -
<u>Non-monetary items</u>				
USD:NTD	1%		-	9,177
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%		5,268	-

Price risk

- i. The Company's equity securities, which are exposed to price risk, are the financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio.
- ii. The Company invested in domestic and foreign listed and unlisted equity securities. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 5% with all other variables held constant, before-tax profit for the years ended December 31, 2024 and 2023 would have increased/decreased by \$360 and \$502, respectively, as a result of gains/losses on financial assets classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$2,940 and \$0, respectively, as a result of other comprehensive income classified as financial assets at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Company's interest rate risk arises from time deposits, restricted time deposits and long-term borrowings at variable rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. During the years ended December 31, 2024 and 2023, the Company's borrowings were denominated in New Taiwan dollars and US Dollars at variable rates.
- ii. On December 31, 2024 and 2023, if the borrowing interest rate had increased/decreased by 0.25% with all other variables held constant, profit, net of tax for the years ended December 31, 2024 and 2023 would have decreased / increased by \$72 and \$1,294, respectively. The main factor is that changes in interest expenses resulting from floating-rate borrowings.
- iii. On December 31, 2024 and 2023, if the interest rate of New Taiwan dollars time deposits (shown as financial assets at amortized cost) had increased/decreased by 0.25% with all other variables held constant, the impact to profit, net of tax for the years ended December 31, 2024 and 2023 would be immaterial. The main factor is that changes in interest income result in floating-rate for time deposits.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the counterparties on the contract obligations. Policy for credit risk management of the Company is as follows:

- (i) The Company sets the relevant procedures to monitor, manage and reduce the credit risk of accounts receivable; however, it is not guaranteed that the procedures can effectively exclude the credit risk and avoid losses. The exposure of such credit risk will increase in the deteriorating economic environment.
 - (ii) The Company periodically monitors, reviews and adjusts the credit limits based on the market conditions and credit status of counterparties to timely manage the credit risk. The Company only transacts with banks and financial institutions with high credit quality, and therefore does not expect to assume the credit risk.
 - (iii) The main credit risks arise from deposits with bank and financial institutions, financial assets at amortized cost and receivables.
- ii. The situations that the Company regards as breach of contract specified in the contract are as follows: when the contract payments may not be recovered and have to be transferred to overdue receivables, the default has occurred.
- iii. The Company classifies customers' accounts receivable in accordance with credit rating of customer. The Company applies loss rate methodology to estimate expected credit loss under the provision matrix basis.
- iv. The Company adopts the following assumptions to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: If the contract payments were past due over 90 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. 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 reorganization 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.
- vi. The Company used the historical information and the forecastability of Taiwan Institute of Economic Research boom observation report to assess the default possibility of accounts receivable.
- vii. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights.
- viii. The Company used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2024 and 2023, the loss rate methodology is as follows:

December 31, 2024	Accounts receivable		
	Individual	Group	Total
Expected loss rate	5.55%~7.89%		
Total book value	\$ -	\$ 807,616	\$ 807,616
Loss allowance	\$ -	\$ 76,017	\$ 76,017

December 31, 2023	Accounts receivable		
	Individual	Group	Total
Expected loss rate		5.55%~7.89%	
Total book value	\$ -	\$ 705,479	\$ 705,479
Loss allowance	\$ -	\$ 76,017	\$ 76,017

- ix. Movements in relation to the Company applying the modified approach to provide loss allowance for accounts receivable are as follows:

	2024	2023
January 1	\$ 76,017	\$ 82,017
Gain on reversal of expected credit loss	-	(6,000)
December 31	\$ 76,017	\$ 76,017

- x. As of December 31, 2024 and 2023, the collateral held by the Company as security for accounts receivable was letters of credit, promissory note and cheques with book value amounting to \$582,074 and \$631,657, respectively.
- xi. Movements in loss allowance for investments in debt instruments carried at amortized cost are as follows:

2024: None.

In 2023, the Company derecognized its investment in preferred stock, which was measured at amortized cost.

2023			
	12 months	Lifetime	
		Significant increase in credit risk	Impairment of credit
January 1	\$ -	\$ 63,000	\$ -
Derecognition	-	(63,000)	-
December 31	\$ -	\$ -	\$ -

(c) Liquidity risk

- i. The objective of liquidity risk management is to ensure sufficient liquidity to meet operating requirements for the coming year.

- ii. The table below analyses the Company's non-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:

December 31, 2024	Less than 1 year	Between 1 and 5 years	Over 5 years
<u>Non-derivative financial liabilities:</u>			
Short-term borrowings	\$ 463,005	\$ -	\$ -
Notes payable	3,904	-	-
Accounts payable	589,869	-	-
Other payables (including related parties)	195,899	-	-
Lease liability	27,000	62,596	119,250
Long-term liabilities, current portion	21,176	-	-
Bonds payable	794,400	-	-
Long-term borrowings	-	14,531	1,577
Guarantee deposits received	-	17,428	-
December 31, 2023	Less than 1 year	Between 1 and 5 years	Over 5 years
<u>Non-derivative financial liabilities:</u>			
Short-term borrowings	\$ 960,296	\$ -	\$ -
Notes payable	5,327	-	-
Accounts payable	393,838	-	-
Other payables (including related parties)	182,453	-	-
Lease liability	26,828	71,401	125,213
Long-term liabilities, current portion	343,889	-	-
Bonds payable	-	794,400	-
Long-term borrowings	-	316,387	2,965
Guarantee deposits received	-	79,042	-

(3) Fair value information

- 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: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed stocks classified as financial assets at fair value through profit or loss is included to Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Company's investment in derivatives is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's investment in equity investment without active market is included in Level 3.

- B. The carrying amounts of financial instruments not measured at fair value including cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable, other payables, lease liabilities and long-term borrowings are approximate to their fair values.
- C. The related information of financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2024 and 2023 are as follows:

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 7,200	\$ -	\$ -	\$ 7,200
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	58,790	58,790
Total	<u>\$ 7,200</u>	<u>\$ -</u>	<u>\$ 58,790</u>	<u>\$ 65,990</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Foreign exchange swap contracts	\$ -	\$ 2,615	\$ -	\$ 2,615
Call options and put options of convertible bonds	-	-	13,743	13,743
Total	<u>\$ -</u>	<u>\$ 2,615</u>	<u>\$ 13,743</u>	<u>\$ 16,358</u>

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Forward exchange contracts and foreign exchange swap contracts	\$ -	\$ 2,420	\$ -	\$ 2,420
Equity securities	10,048	-	-	10,048
Total	<u>\$ 10,048</u>	<u>\$ 2,420</u>	<u>\$ -</u>	<u>\$ 12,468</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Call options and put options of convertible bonds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,939</u>	<u>\$ 2,939</u>

- D. The methods and assumptions the Company used to measure fair value are as follows:
- (a) The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:
- | | Market quoted price | Listed share
Closing price |
|--|---------------------|-------------------------------|
|--|---------------------|-------------------------------|
- (b) When assessing non-standard and low-complexity financial instruments, the Company 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.
- (c) The valuation of derivative financial instruments is based on valuation model widely accepted by market participants. Forward exchange contracts and foreign exchange swap contracts are usually valued based on the current forward exchange rate.
- (d) The Company 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 Company's credit quality.
- E. For the years ended December 31, 2024 and 2023, there was no transfer between Level 1 and Level 2.
- F. If one or more of the significant inputs are not based on observable market data, such financial instrument is included in level 3.

- G. The following chart is the movement of Level 3 for the years ended December 31, 2024 and 2023:

	Equity securities	
	2024	2023
January 1	\$ -	\$ -
Acquired in the year	57,874	-
Gains or losses recognized in other comprehensive income	916	-
December 31	<u>\$ 58,790</u>	<u>\$ -</u>

- H. Investment segment is in charge of valuation procedures for fair value measurements being adopted 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 line 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.
- I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted stocks	\$ 58,790	Market price method	Discount for lack of marketability	10%~30%	The higher the discount for lack of marketability, the lower the fair value

December 31, 2023: None.

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

		December 31, 2024			
		Recognized in profit or loss		Recognized in other comprehensive income	
		Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets	Input	Change			
Equity instruments	Discount for lack of marketability, weighted average cost of capital and long-term revenue growth rate.	± 1%	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 588 (\$ 588)</u>

December 31, 2023: None.

13. Supplementary Disclosures

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$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: None.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.
- I. Trading in derivative instruments undertaken during the reporting periods: Notes 6(2) and 6(15).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 2.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 3.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 4.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: The details of commissions expense and service expense paid by the Company to Fullboom Electronics (Shenzhen) Co., Ltd. for the years ended December 31, 2024 and 2023, and their outstanding balances (shown as 'other payables') as of December 31, 2024 and 2023 are as follows:

	Years ended December 31	
	2024	2023
Commission expenses	\$ 12,484	\$ 10,589
Service expense	\$ 5,016	\$ 4,855
	December 31, 2024	December 31, 2023
Other payables	\$ 1,534	\$ 2,159

(4) Information on major shareholders

Information on major shareholders: None.

ETRON TECHNOLOGY, INC.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2024

Expressed in thousands of NTD

Item	Description	Amount
Cash		
Cash on hand		\$ 1,873
Petty cash		450
		2,323
Bank deposits		
Checking accounts - NTD		412
-Foreign currency	USD 12 thousand at exchange rate of 32.785	406
	SGD 13 thousand at exchange rate of 24.13	326
Demand deposits - NTD		294,948
-Foreign currency	USD 3,362 thousand at exchange rate of 32.785	110,228
	CNY 81 thousand at exchange rate of 4.478	366
	JPY 7,975 thousand at exchange rate of 0.2099	1,674
	HKD 49 thousand at exchange rate of 4.222	206
	SGD 44 thousand at exchange rate of 24.13	1,067
	EUR 16 thousand at exchange rate of 34.14	539
		<u>410,172</u>
Total		<u>\$ 412,495</u>

ETRON TECHNOLOGY, INC.
STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2024

Expressed in thousands of NTD

MIT	Amount	Remark
General clients:		
ALM	\$ 114,134	
ACO	89,371	
MIT	79,566	
GIH	77,446	
HAP	66,902	
LEN	66,838	
KEB	64,163	
Others	<u>220,391</u>	The amount of individual customers included in others does not exceed. 5% of the account balance.
	778,811	
Less: Allowance for uncollectible accounts	(<u>76,017</u>)	
	<u>702,794</u>	
Related parties:		
Etron Technology (HK) Limited	21,695	
Etron Technology America Inc.	4,233	
Insignis Technology Corporation	<u>2,877</u>	
	<u>28,805</u>	
	<u>\$ 731,599</u>	

ETRON TECHNOLOGY, INC.
STATEMENT OF INVENTORIES
DECEMBER 31, 2024

Expressed in thousands of NTD

Item	Amount		Remark
	Cost	Net realizable value	
Raw materials	\$ 565,837	\$ 724,137	Note
Work in progress	1,568,165	1,779,611	Note
Finished goods	<u>791,127</u>	<u>779,905</u>	Note
	2,925,129	<u>\$ 3,283,653</u>	
Less: Allowance for inventory valuation	(<u>475,871</u>)		
Total	<u>\$ 2,449,258</u>		

Note: Refer to Note 4(13) for determination of the method of net realizable value.

ETRON TECHNOLOGY, INC.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2024

Expressed in thousands of NTD

Name	Beginning Balance		Addition (Decrease)			Ending Balance			Net Asset Value		Guarantee provided	Remark
	Number of shares	Amount	Number of shares	Amount (Note)	Investment Income (Loss)	Number of shares	Shareholding ratio	Amount	Unit Price (in dollars)	Total		
Eutrend Technology Inc.	2,702,522	\$ 263	-	\$ -	(\$ 68)	2,702,522	93.57%	\$ 195	\$ 0.07	\$ 195	None	
Kinglord Corp.	25,458	473,031	800	(111,708)	67,051	26,258	100.00%	428,374	16,314.04	428,374	None	
Plusway Corp.	9,825	139,041	300	17,231	(4,398)	10,125	100.00%	151,874	14,999.91	151,874	None	
Kingwell Investment Corp.	14,083,000	417,977	-	(76,805)	14,979	14,083,000	100.00%	356,151	25.29	356,151	None	
Kingcharm Investment Corp.	18,000,000	9,924	-	29,632	(14,116)	18,000,000	100.00%	25,440	1.41	25,440	None	
Intercosmos Group Limited	4,488	193,133	-	18,183	(9,831)	4,488	100.00%	201,485	44,894.16	201,485	None	
Creative Ally Limited	4,220	32,451	400	14,358	(18,721)	4,620	100.00%	28,088	6,079.65	28,088	None	
eCapture Ltd. Co.	11,666,667	2,083	-	135	(316)	11,666,667	100.00%	1,902	0.16	1,902	None	
Insignis Technology, Inc.	24,500,000	17,634	-	988	(10,499)	24,500,000	100.00%	8,124	0.33	8,124	None	
eEver Technology Limited	14,250,001	(2,001)	3,157,714	76,911	(29,892)	17,407,715	43.52%	45,018	2.59	45,018	None	
eYs3D Microelectronics, Inc.	58,019,238	60,962	8,888,888	144,940	(94,798)	66,908,126	62.90%	111,104	1.66	111,104	None	
DeCloak Intelligences Co.	4,155,203	10,569	1,340,879	20,025	(20,326)	5,496,082	80.10%	10,268	1.87	10,268	None	
T-Era Architecture Technology, Inc.	2,921,600	888	-	13	(657)	2,921,600	7.56%	244	0.08	244	None	
TAT Technology, Inc.	1,971,200	448	-	4	(342)	1,971,200	7.33%	110	0.06	110	None	
ValueCreation Technology, Inc.	1,500,000	<u>3,675</u>	-	<u>191</u>	<u>(1,109)</u>	1,500,000	100.00%	<u>2,757</u>	1.84	<u>2,757</u>		
		1,360,078		134,098	(123,043)			1,371,134		1,371,134		
Investments accounted for using the equity method - credit balance (recorded as other liabilities)		<u>2,001</u>		<u>-</u>	<u>-</u>			<u>-</u>		<u>-</u>		
		<u>\$ 1,362,079</u>		<u>\$ 134,098</u>	<u>(\$ 123,043)</u>			<u>\$ 1,371,134</u>		<u>\$ 1,371,134</u>		

Note: It includes capital decrease and increase of subsidiaries, accumulated translation adjustments and shareholders' equity adjustments of subsidiaries recognized proportionally to their interest.

ETRON TECHNOLOGY, INC.
STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2024

Expressed in thousands of NTD

<u>Creditor</u>	<u>Nature</u>	<u>Ending Balance</u>	<u>Contract Period</u>	<u>Interest Rate</u>	<u>Credit Line</u>	<u>Collateral</u>	<u>Remark</u>
Taishin International Bank	Credit loan	50,000	2024.11.01 ~ 2025.01.22	Note	NTD 50,000 thousand	None	
Land Bank of Taiwan	Credit loan	50,000	2024.12.25 ~ 2025.03.25	Note	NTD 50,000 thousand	None	
Taiwan Cooperative Bank	Credit loan	50,000	2024.11.05 ~ 2025.10.04	Note	NTD 50,000 thousand	None	
Bank of Panhsin	Credit loan	16,393	2024.11.01 ~ 2025.01.24	Note	NTD 16,393 thousand	None	
First Commercial Bank	Credit loan	60,000	2024.12.05 ~ 2025.03.04	Note	NTD 60,000 thousand	None	
Hua Nan Bank	Credit loan	75,405	2024.11.01 ~ 2025.03.03	Note	NTD 75,405 thousand	None	
Shin Kong Bank Co., Ltd.	Credit loan	30,000	2024.12.02 ~ 2025.03.02	Note	NTD 30,000 thousand	None	
Chang Hwa Commercial Bank	Credit loan	32,785	2024.12.03 ~ 2025.02.21	Note	NTD 32,785 thousand	None	
CTBC Bank Co., Ltd	Credit loan	30,000	2024.12.03 ~ 2025.01.02	Note	NTD 30,000 thousand	None	
Bank of Taiwan	Credit loan	65,570	2024.12.02 ~ 2025.03.14	Note	NTD 65,570 thousand	None	
		<u>\$ 460,153</u>					

Note: Interest rate between 2.22%-6.047%.

ETRON TECHNOLOGY, INC.
STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2024

Expressed in thousands of NTD

<u>Supplier Name</u>	<u>Amount</u>	<u>Remark</u>
General supplier:		
PERIP	\$ 365,748	
FOSATC	89,043	
CMOS	26,715	
KSI	26,593	
Others	<u>81,770</u>	The amount of individual supplier included in others does not exceed 5% of the account balance.
	<u>\$ 589,869</u>	

ETRON TECHNOLOGY, INC.
STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2024

Expressed in thousands of NTD

Creditor	Description	Amount	Contract period	Interest Rate	Collateral	Remark
Land Bank of Taiwan	Long-term secured borrowings	\$ 8,063	2011.02.17 - 2031.02.17	Note	Buildings and structures	
First Commercial Bank	Long-term credit borrowings	<u>28,071</u>	2023.02.10 - 2026.06.26	Note	-	
Total		36,134				
Less: Current portion		<u>(20,532)</u>				
		<u>\$ 15,602</u>				

Note: Interest rate between 2.38%-2.47%.

ETRON TECHNOLOGY, INC.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2024

Expressed in thousands of NTD

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Remark</u>
Integrated circuits	220,938 thousand pieces	<u>\$ 3,325,533</u>	

ETRON TECHNOLOGY, INC.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Expressed in thousands of NTD

Item	Description	Amount
Beginning raw materials		873,936
Add: Raw materials purchased		1,526,140
Less: Ending raw materials	(	565,837)
Raw materials transfer out	(	1,466)
Transferred to expenses	(	352)
Scrap materials	(	11,625)
Raw materials used for the year		1,820,796
Director labor		7,157
Manufacturing expenses		719,435
Manufacturing cost		2,547,388
Add: Beginning work in progress and semi-finished goods		1,561,276
Semi-finished goods purchased		479,339
Finished goods and raw materials transferred		9,100
Less: Ending work in progress and semi-finished goods	(	1,568,165)
Semi-finished goods sold	(	2,009)
Scrapped semi-finished goods	(	17,956)
Transferred to expenses	(	9,031)
Cost of finished goods		2,999,942
Add: Beginning finished goods		787,918
Finished goods purchased		1,208
Less: Ending finished goods	(	791,127)
Transfers out of finished goods	(	7,634)
Transferred to expenses	(	3,928)
Scrapped finished goods	(	32,263)
Cost of goods manufactured and sold		2,954,116
Semi-finished goods sold		2,009
Loss on decline in market value		12,471
Others	(	3,571)
Operating costs	\$	2,965,025

ETRON TECHNOLOGY, INC.
STATEMENT OF MANUFACTURING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

Expressed in thousands of NTD

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Remark</u>
Processing fees		\$ 594,142	
Depreciation		54,791	
Wage and salaries		45,018	
Other expenses		<u>25,484</u>	The amount of individual item included in other expenses does not exceed 5% of the account balance.
Total		<u>\$ 719,435</u>	

ETRON TECHNOLOGY, INC.
STATEMENT OF SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

Expressed in thousands of NTD

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Remark</u>
Wage and salaries		\$ 47,891	
Commission expenses		65,728	
Service expenses		25,526	
Other expenses		<u>36,651</u>	The amount of individual item included in other expenses does not exceed 5% of the account balance.
Total		<u>\$ 175,796</u>	

ETRON TECHNOLOGY, INC.
STATEMENT OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

Expressed in thousands of NTD

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Remark</u>
Wage and salaries		\$ 120,425	
Depreciation		18,309	
Service expense		17,355	
Other expenses		<u>66,834</u>	The amount of individual item included in other expenses does not exceed 5% of the account balance.
Total		<u>\$ 222,923</u>	

ETRON TECHNOLOGY, INC.
STATEMENT OF DEVELOPMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

Expressed in thousands of NTD

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Remark</u>
Wage and salaries		\$ 215,414	
Service expenses		38,827	
Amortization		34,781	
Depreciation		34,081	
Other expenses		<u>66,803</u>	The amount of individual item included in other expenses does not exceed 5% of the account balance.
Total		<u>\$ 389,906</u>	

ETRON TECHNOLOGY, INC.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTION
(Cont.)
FOR THE YEAR ENDED DECEMBER 31, 2024

Expressed in thousands of NTD

Function Nature	2024			2023		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefit expense						
Wages and salaries	\$ 50,906	\$ 366,901	\$ 417,807	\$ 47,442	\$ 361,481	\$ 408,923
Share-based payment	985	14,213	15,198	2,128	22,038	24,166
Labor and health insurance fees	5,054	27,335	32,389	5,224	27,340	32,564
Pension costs	2,694	16,608	19,302	2,723	16,478	19,201
Directors' remuneration	-	2,616	2,616	-	2,616	2,616
Other employee benefit expenses	3,642	16,025	19,667	2,788	11,363	14,151
Depreciation expenses	54,791	70,118	124,909	62,115	64,698	126,813
Amortization expenses	238	60,961	61,199	568	55,677	56,245

Note:

1. As at December 31, 2024 and 2023, the Company had 312 and 307 employees, both including 6 non-employee directors.
2. A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information:
 - (1) Average employee benefit expense in current year was \$1,648 ((Total employee benefit expense in current year - Total directors' remuneration in current year) / (Number of employees in current year - Number of non-employee directors in current year)).
The average employee benefits expense for the previous year is NT\$1,658 thousand ((Total employee benefit expenses for the previous year - Total Directors' remuneration) / (Number of employees for the previous year - Number of Directors who do not concurrently serve as employees))

ETRON TECHNOLOGY, INC.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTION
(Cont.)
FOR THE YEAR ENDED DECEMBER 31, 2024

Expressed in thousands of NTD

- (2) Average employee salaries in current year were \$1,365 thousand (Total employee salaries in current year / (Number of employees in current year - Number of non-employee directors in current year)).
Average employee salaries in previous year was \$1,359 thousand (Total employee salaries in previous year / (Number of employees in previous year - Number of non-employee directors in previous year)).
- (3) Adjustment of average employee salaries was an increase of 0.44%. ((Average employee salaries in current year - Average employee salaries in previous year) / Average employee salaries in previous year).
- (4) There was no remuneration for supervisors in this year and last year. (The Company has an Audit Committee, thus there was no remuneration for supervisors.)
- (5) The Company's remuneration policy is as follows:
 - A. The Company has formulated the Articles of Incorporation and 'Regulations Governing Directors' Remuneration' to regulate the payment standard and structure on directors' remuneration, and has established a Remuneration Committee to be in charge of formulating and assessing the policy, system, standard and structure on directors' remuneration, and submitting the proposal to the Board of Directors for discussion. Other than transportation allowances, independent directors are entitled to receive monthly fixed salaries for performing their duties independently and participating in corporate governance; remuneration from profit, if any, based on the profit distribution ratio for independent directors as stipulated in the regulations. The remuneration distributed to each director will then be calculated using the weighted proportion method based on the length of each director's tenure during the year and the weights assigned to each director depending on their standing. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year shall be distributed as directors' remuneration, and the ratio shall be no higher than 2%.
 - B. The Company's have contracted with the Company's articles of incorporation, "Manager performance evaluation and managerial position management methods," etc., based on the most common standard remuneration and payment Performing duties of the Company's managers' performance evaluation and remuneration management system and setting up remuneration standards.
 - C. The Company's employee remuneration is determined based on academic background, performance and work contribution, and continuously reviews the external market salary competitiveness and salary portfolio of all employees, and makes salary adjustments in a timely manner. There are three additional bonus payment methods and According to the Company's operating conditions, employees are paid not less than 12% of the current year's profit status to attract, motivate and retain outstanding talents.

ETRON TECHNOLOGY, INC.
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2024

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Types of marketable securities	Name of marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023				Remark
					Number of shares	Carrying amount	Shareholding ratio	Fair value	
Etron Technology, Inc.	Stock	uPI Semiconductor Corp.	None	Financial assets at fair value through profit or loss - current	32,000	\$ 7,200	-	\$ 7,200	
Etron Technology, Inc.	Stock	Skymizer Taiwan Inc.	None	Financial assets at fair value through other comprehensive income - non-current	41,250	16,170	0.97%	16,170	
Etron Technology, Inc.	Stock	Esperanto Technologies, Inc.	None	Financial assets at fair value through other comprehensive income - non-current	236,854	42,620	1.91%	42,620	
Kingwell Investment Corp.	Stock	Macronix International Co., Ltd.	The president of the investee and the chairman of the Company are relatives within second degree of kinship	Financial assets at fair value through profit or loss - current	15,840	314	-	314	
Kingcharm Investment Corp.	Stock	Walton Advanced Engineering, Inc.	None	Financial assets at fair value through profit or loss - current	10,000	139	-	139	
Kingcharm Investment Corp.	Stock	ProMos Technology, Inc.	None	Financial assets at fair value through profit or loss - current	6	-	-	-	
Creative Ally Limited	Stock	Cognito Health International, Inc.	None	Financial assets at fair value through other comprehensive income - non-current	1,010,101	17,883	1.07%	17,883	
Etron Technology (HK) Limited	Equity investment	Shanghai Walden Venture Capital Enterprise	None	Financial assets at fair value through other comprehensive income - non-current	-	163,424	1.52%	163,424	
Etron Technology (HK) Limited	Equity investment	Walden Technology Ventures II,L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	112,475	2.64%	112,475	
Etron Technology (HK) Limited	Equity investment	Arm IoT Fund, L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	27,479	4.65%	27,479	
Etron Technology (HK) Limited	Equity investment	WI Harper Fund IX, L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	20,738	1.08%	20,738	
Kinglord Corp.	Stock	Senti Biosciences, Inc.	The chairman of the investee and the chairman of the Company are relatives within the second degree of kinship	Financial assets at fair value through other comprehensive income - non-current	4,147	477	0.09%	477	
Kinglord Corp.	Stock	Personal Genomics, Inc.	None	Financial assets at fair value through other comprehensive income - non-current	741,926	-	0.91%	-	

					As of December 31, 2023				
Securities held by	Types of marketable securities	Name of marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Carrying amount	Shareholding ratio	Fair value	Remark
Plusway Corp.	Stock	Personal Genomics, Inc.	None	Financial assets at fair value through other comprehensive income - non-current	6,261,451	\$ -	7.69%	\$ -	
Plusway Corp.	Equity investment	WI Harper Fund IX, L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	31,105	1.61%	31,105	
Plusway Corp.	Equity investment	IT-Farm J-Tech Fund Investment Limited Partnership	None	Financial assets at fair value through other comprehensive income - non-current	-	22,715	4.55%	22,715	
Plusway Corp.	Preference share	Cognito Health International, Inc.	None	Financial assets at fair value through other comprehensive income - non-current	219,635	3,889	0.23%	3,889	
Kingwell Investment Corp.	Stock	Bridge Semiconductor Corporation	None	Financial assets at fair value through other comprehensive income - non-current	1,375,000	-	5.02%	-	
Kingwell Investment Corp.	Stock	Innorich Venture Capital Corp.	None	Financial assets at fair value through other comprehensive income - non-current	6,000,000	22,976	11.21%	22,976	
Kingwell Investment Corp.	Stock	Raytek Semiconductor, Inc.	None	Financial assets at fair value through other comprehensive income - non-current	1,852,000	36,279	1.54%	36,279	
Kingwell Investment Corp.	Stock	Ardentec Corporation	The chairman of the investee and the chairman of the Company are relatives within second degree of kinship	Financial assets at fair value through other comprehensive income - non-current	3,712,457	197,131	0.76%	197,131	
Kingwell Investment Corp.	Stock	Anqing Innovation Investment Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	2,000,000	14,466	4.33%	14,466	
Kingwell Investment Corp.	Stock	Mosa Industrial Corporation	None	Financial assets at fair value through other comprehensive income - non-current	38,000	826	0.02%	826	
Kingwell Investment Corp.	Equity investment	Arm IoT Fund, L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	9,101	1.54%	9,101	
Kingwell Investment Corp.	Stock	IQE PLC	None	Financial assets at fair value through other comprehensive income - non-current	55,916	256	0.01%	256	
Kingcharm Investment Corp.	Stock	Bridge Semiconductor Corporation	None	Financial assets at fair value through other comprehensive income - non-current	1,988,970	-	8.32%	-	
Kingcharm Investment Corp.	Stock	Digitimes Inc.	None	Financial assets at fair value through other comprehensive income - non-current	98,919	4,847	0.36%	4,847	

ETRON TECHNOLOGY, INC.
Significant inter-company transactions during the reporting periods
Year ended December 31, 2024

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

				Description of Transactions			
No. (Note 1)	Company	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms (Note 4)	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Etron Technology, Inc.	Etron Technology America, Inc.	1	Service expense	\$ 19,103	-	0.55%
0	Etron Technology, Inc.	Etron Technology America, Inc.	1	Commission expenses	46,977	-	1.35%
0	Etron Technology, Inc.	Etron Technology America, Inc.	1	Sales revenue	5,154	-	0.15%
0	Etron Technology, Inc.	Etron Technology America, Inc.	1	Other accrued expense	2,236	-	0.03%
0	Etron Technology, Inc.	Etron Technology America, Inc.	1	Other prepaid expense	4,861	-	0.07%
0	Etron Technology, Inc.	Etron Technology America, Inc.	1	Accounts receivable	4,233	-	0.06%
0	Etron Technology, Inc.	Anzon Corporation	1	Service expense	2,893	-	0.08%
0	Etron Technology, Inc.	Fullboom Electronics (Shenzhen) Co., Ltd.	1	Commission expenses	12,484	-	0.36%
0	Etron Technology, Inc.	Fullboom Electronics (Shenzhen) Co., Ltd.	1	Service expense	5,016	-	0.14%
0	Etron Technology, Inc.	Fullboom Electronics (Shenzhen) Co., Ltd.	1	Other accrued expense	1,534	-	0.02%
0	Etron Technology, Inc.	Etron Technology (HK) Limited	1	Sales revenue	68,166	-	1.96%
0	Etron Technology, Inc.	Etron Technology (HK) Limited	1	Accounts receivable	21,695	-	0.32%
0	Etron Technology, Inc.	eEver Technology, Inc.	1	Support service income	2,743	-	0.08%
0	Etron Technology, Inc.	eEver Technology, Inc.	1	Other receivables	3,316	-	0.05%
0	Etron Technology, Inc.	eEver Technology, Inc.	1	Other income	15,440	-	0.44%
0	Etron Technology, Inc.	eYs3D Microelectronics Co.	1	Support service income	4,451	-	0.13%
0	Etron Technology, Inc.	eYs3D Microelectronics Co.	1	Service expense	25,000	-	0.72%
0	Etron Technology, Inc.	eYs3D Microelectronics Co.	1	Other receivables	4,567	-	0.07%
0	Etron Technology, Inc.	eYs3D Microelectronics Co.	1	Other income	19,213	-	0.55%
0	Etron Technology, Inc.	Insignis Technology Corporation	1	Sales revenue	21,943	-	0.63%
0	Etron Technology, Inc.	Insignis Technology Corporation	1	Accounts receivable	2,877	-	0.04%
0	Etron Technology, Inc.	Invention and Collaboration Laboratory Pte. Ltd.	1	Service expense	3,447	-	0.10%
1	eYs3D Microelectronics Co.	Fullboom Electronics (Shenzhen) Co., Ltd.	3	Service expense	11,965	-	0.34%
1	eYs3D Microelectronics Co.	Fullboom Electronics (Shenzhen) Co., Ltd.	3	Other accrued expense	1,013	-	0.01%
1	eYs3D Microelectronics Co.	AiYs3D Technology, Inc.	3	Service expense	4,603	-	0.13%
2	eEver Technology, Inc.	Fullboom Electronics (Shenzhen) Co., Ltd.	3	Service expense	3,398	-	0.10%
3	Invention and Collaboration Laboratory, Inc.	Invention and Collaboration Laboratory Pte. Ltd.	3	Other operating revenue	6,384	-	0.18%

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; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) The parent company to subsidiaries.

(2) Subsidiaries to the parent company.

(3) Subsidiaries to subsidiaries.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed 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.

Note 4: The prices and credit terms for the transactions between parent company and subsidiaries would be available for third parties. The terms for incomparable transactions are negotiated by the both parties.

ETRON TECHNOLOGY, INC.
Names, locations and other information of investees (not including investees in Mainland China)
Year ended December 31, 2024

Table 3

Table 3											Expressed in thousands of NTD (Except as otherwise indicated)
Name of investor	Name of Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2024				Investment income (loss) recognized by the Company for the year	Remark
				Balance as at December 31, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Carrying amount	Profit (loss) of the investee for the year		
Etron Technology, Inc.	Eutrend Technology Inc.	Taiwan	Testing service for high frequency or high-power radio frequency, analog, digital, and mixed-signal components	\$ 112,099	\$ 112,099	2,702,522	93.57%	\$ 195	(\$ 74)	(\$ 68)	Subsidiaries
Etron Technology, Inc.	Kinglord Corp.	British Virgin Islands	Investment holdings	878,713	853,849	26,258	100.00%	428,374	67,051	67,051	Subsidiaries
Etron Technology, Inc.	Plusway Corp.	British Virgin Islands	Investment holdings	511,393	501,877	10,125	100.00%	151,874	(4,398)	(4,398)	Subsidiaries
Etron Technology, Inc.	Kingwell Investment Corp.	Taiwan	Investment in the manufacturing and service industries	-	8,215	14,083,000	100.00%	356,151	14,979	14,979	Subsidiaries
Etron Technology, Inc.	Kingcharm Investment Corp.	Taiwan	Investment holdings	188,512	188,512	18,000,000	100.00%	25,440	(14,116)	(14,116)	Subsidiaries
Etron Technology, Inc.	Intercosmos Group Limited	British Virgin Islands	Investment holdings	106,429	106,429	4,488	100.00%	201,485	(9,831)	(9,831)	Subsidiaries
Etron Technology, Inc.	Creative Ally Limited	British Virgin Islands	Investment holdings	140,017	127,141	4,620	100.00%	28,088	(18,721)	(18,721)	Subsidiaries
Etron Technology, Inc.	eCapture Ltd. Co.	Cayman Islands	Investment holdings	31,051	31,051	11,666,667	100.00%	1,902	(316)	(316)	Subsidiaries
Etron Technology, Inc.	Insignis Technology, Inc.	Cayman Islands	Investment holdings	60,488	60,488	24,500,000	100.00%	8,124	(10,499)	(10,499)	Subsidiaries
Etron Technology, Inc.	eEver Technology Limited	Cayman Islands	Investment holdings	90,121	44,857	17,407,715	43.52%	45,018	(60,734)	(29,892)	Subsidiaries
Etron Technology, Inc.	eYs3D Microelectronics, Inc.	Cayman Islands	Investment holdings	683,043	553,326	66,908,126	62.90%	111,104	(150,739)	(94,798)	Subsidiaries
Etron Technology, Inc.	DeCloak Intelligences Co.	Taiwan	Information and software services expense	73,130	53,017	5,496,082	80.10%	10,268	(25,027)	(20,326)	Subsidiaries
Etron Technology, Inc.	T-Era Architecture Technology, Inc.	Cayman Islands	Investment holdings	11,249	11,249	2,921,600	7.56%	244	(8,681)	(657)	Subsidiaries
Etron Technology, Inc.	TAT Technology, Inc.	Cayman Islands	Investment holdings	7,553	7,553	1,971,200	7.33%	110	(4,671)	(342)	Subsidiaries
Etron Technology, Inc.	ValueCreation Technology, Inc.	Taiwan	Intellectual property industry	15,000	15,000	1,500,000	100.00%	2,757	(1,926)	(1,109)	Subsidiaries
Kingwell Investment Corp.	Global Etron Enterprise Co.	Taiwan	Management Consulting and Industry Incubation	4,927	2,000	300,000	100.00%	2,931	(69)	(69)	Second-tier subsidiary
Kingwell Investment Corp.	nD-HI Technologies Lab, Inc.	Taiwan	Electronic component manufacturing industry	39,093	24,093	4,000,000	97.49%	11,861	(2,390)	(2,311)	Second-tier subsidiary
Kingwell Investment Corp.	Great Team Backend Foundry, Inc.	British Virgin Islands	Investment holdings	27,020	27,020	1,555,390	5.42%	32,918	(31,166)	(1,559)	Investee company of the subsidiary
Kingcharm Investment Corp.	eEver Technology Limited	Cayman Islands	Investment holdings	64,197	58,969	6,195,697	15.49%	16,023	(60,734)	(10,958)	Subsidiaries
Kingcharm Investment Corp.	eYs3D Microelectronics, Inc.	Cayman Islands	Investment holdings	21,654	21,654	2,084,340	1.96%	3,464	(150,739)	(3,201)	Subsidiaries

Name of investor	Name of Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2024			Profit (loss) of the investee for the year	Investment income (loss) recognized by the Company for the year	Remark
				Balance as at December 31, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Carrying amount			
Kinglord Corp.	Etron Technology America, Inc.	U.S.A.	Sales agent of electronic components	213,758	172,562	56,666,666	100.00%	48,568	(2,330)	(2,330)	Second-tier subsidiary
Kinglord Corp.	Anzon Technology, Inc.	British Virgin Islands	Investment holdings	11,835	11,085	1,681,000	70.85%	1,438	(262)	(184)	Second-tier subsidiary
Kinglord Corp.	Etron Technology (HK) Limited	Hong Kong	Sales of electronic components	157,368	147,384	37,440,000	100.00%	375,170	71,311	71,311	Second-tier subsidiary
Kinglord Corp.	eYs3D Microelectronics, Inc.	Cayman Islands	Investment holdings	\$ 9,191	\$ 8,608	785,273	0.74%	\$ 1,308	(\$ 150,739)	(\$ 1,212)	Subsidiaries
Kinglord Corp.	AISTA, Inc.	U.S.A.	Semiconductor technology development, consulting, and design services	328	-	10,000,000	100.00%	214	(111)	(111)	Subsidiaries
Kinglord Corp.	ESTA, Inc.	U.S.A.	Semiconductor technology development, consulting, and design services	328	-	10,000,000	100.00%	216	(110)	(110)	Subsidiaries
Etron Technology (HK) Limited	eYs3D Microelectronics, Inc.	Cayman Islands	Investment holdings	132,182	25,540	9,441,028	8.88%	15,693	(150,739)	(9,129)	Subsidiaries
Etron Technology (HK) Limited	eEver Technology Limited	Cayman Islands	Investment holdings	22,949	-	1,555,555	3.89%	4,024	(60,734)	(871)	Subsidiaries
Anzon Technology, Inc.	Anzon Corporation	Japan	Sales agent of electronic components	18,542	17,365	185	100.00%	1,968	(281)	(242)	Third-tier subsidiary
Intercosmos Group Limited	Grandsino Technology Limited	British Virgin Islands	Investment holdings	45,659	42,763	3,866	100.00%	186,531	(8,114)	(8,114)	Second-tier subsidiary
Intercosmos Group Limited	Fullboom International Limited	Samoa	Investment holdings	34,424	32,240	1,050,000	100.00%	13,469	(1,722)	(1,722)	Second-tier subsidiary
Grandsino Technology Limited	Great Team Backend Foundry, Inc.	British Virgin Islands	Investment holdings	43,983	41,192	7,979,999	27.82%	185,140	(31,166)	(8,001)	Investee of the second-tier subsidiary
Plusway Corp.	Great Team Backend Foundry, Inc.	British Virgin Islands	Investment holdings	69,336	64,938	2,410,886	9.17%	84,722	(31,166)	(2,637)	Investee company of the subsidiary
Plusway Corp.	eYs3D Microelectronics, Inc.	Cayman Islands	Investment holdings	9,598	8,989	887,121	0.83%	1,467	(150,739)	(1,363)	Subsidiaries
Creative Ally Limited	Invention and Collaboration Laboratory Pte. Ltd.	Singapore	Semiconductor technology development, consulting, and design services	45,913	30,718	14,428,000	81.72%	9,137	(22,929)	(18,682)	Second-tier subsidiary
eCapture Ltd. Co.	eCapture Co., Limited.	Hong Kong	Marketing, sales and development of electronic products	31,146	29,170	950,000	100.00%	1,815	(176)	(176)	Second-tier subsidiary
Insignis Technology, Inc.	Insignis Technology Corporation	U.S.A.	Sales of electronic components	62,783	58,800	1,915,000	100.00%	8,013	(10,483)	(10,478)	Second-tier subsidiary
eEver Technology Limited	eEver Technology, Inc.	Taiwan	Electronic component manufacturing industry	377,557	200,739	43,450,000	100.00%	110,423	(57,871)	(57,871)	Second-tier subsidiary
eYs3D Microelectrions, Inc.	eYs3D Microelectronics Co.	Taiwan	Electronic component manufacturing industry	1,231,080	935,941	124,350,000	100.00%	178,832	(150,272)	(150,272)	Second-tier subsidiary
eYs3D Microelectrions, Inc.	AiYs3D Technology, Inc	U.S.A.	Marketing and customer service	328	307	10,000	100.00%	715	65	65	Second-tier subsidiary
Invention and Collaboration Laboratory Pte. Ltd.	Invention and Collaboration Laboratory, Inc.	Taiwan	Semiconductor technology development, consulting, and design services	1,576	1,476	134,000	100.00%	1,141	(109)	(109)	Third-tier subsidiary

Table 3 Page 2

Name of investor	Name of Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2024			Profit (loss) of the investee for the year	Investment income (loss) recognized by the Company for the year	Remark
				Balance as at December 31, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Carrying amount			
Invention and Collaboration Laboratory Pte. Ltd.	T-Era Architecture Technology, Inc.	Cayman Islands	Investment holdings	656	614	20,000,000	51.76%	1,672	(8,681)	(4,493)	Third-tier subsidiary
Invention and Collaboration Laboratory Pte. Ltd.	TAT Technology, Inc.	Cayman Islands	Investment holdings	459	430	14,000,000	52.08%	779	(4,671)	(2,433)	Third-tier subsidiary
T-Era Architecture Technology, Inc.	T-Era Architecture Technology Corp.	Taiwan	Semiconductor technology development, consulting, and design services	21,214	19,868	2,000,000	100.00%	622	(8,379)	(8,379)	Third-tier subsidiary
T-Era Architecture Technology, Inc.	TAT Technology, Inc.	Cayman Islands	Investment holdings	3,672	3,439	896,000	3.33%	60	(4,671)	(146)	Third-tier subsidiary
TAT Technology, Inc.	TAT Technology Corp.	Taiwan	Semiconductor technology development, consulting, and design services	12,101	11,334	1,128,000	100.00%	634	(4,165)	(4,165)	Third-tier subsidiary
TAT Technology, Inc.	T-Era Architecture Technology, Inc.	Cayman Islands	Investment holdings	5,442	5,097	1,328,000	3.44%	116	(8,681)	(294)	Third-tier subsidiary
ValueCreation Technology, Inc.	WeCrevention, Inc.	U.S.A.	Intellectual property industry	3,209	3,209	100,000	100.00%	2,822	(277)	(277)	Second-tier subsidiary

ETRON TECHNOLOGY, INC.
Information on investments in Mainland China
Year ended December 31, 2024

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

1. Basic information

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	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	Profit (loss) of the investee for the year	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year (Note 2)	Carrying amount of investments in Mainland China as of December 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024	Remark
					Remitted to Mainland China	Remitted back to Taiwan							
Great Team Backend Foundry (Dongguan), Ltd.	Other transistors	\$ 2,888,903	(2)	\$ 196,261	\$ -	\$ -	\$ 196,261	(\$ 110,392)	12.72%	(\$ 14,045)	\$ 255,515	\$ -	Note 3, Note 4, Note 5
Fullboom Electronics (Shenzhen) Co., Ltd.	Wholesale and international trade of electronic components	32,785	(2)	32,285	-	-	32,285	(1,695)	100.00%	(1,695)	12,516	-	Note 6
Shanghai Walden Venture Capital Enterprise	Investment in new venture companies	42,318	(2)	35,154	-	-	35,154	-	1.52%	-	163,424	-	Note 7
Walden Technology Ventures II, L.P.	Investment in new venture companies	619,835	(2)	95,668	-	-	95,668	-	2.64%	-	112,475	-	Note 7

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China
- (3) Others

Note 2: Investment income from Fullboom Electronics (Shenzhen) Co., Ltd. was recognized based on the financial statements that are audited and attested by R.O.C. parent company's CPA; Investment income from Great Team Backend Foundry (Dongguan), Ltd. was recognized based on the financial statements that are audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

Note 3: Investing through Great Team Backend Foundry, Inc., which is invested by Kingwell Investment Corp.

Note 4: Investing through Great Team Backend Foundry, Inc., which is invested by Grandsino Technology Limited and Grandsino Technology Limited is invested by Intercosmos Group Limited.

Note 5: Investing through Great Team Backend Foundry, Inc., which is invested by Plusway Corp.

Note 6: Investing through Fullboom International Limited, which is invested by Intercosmos Group Limited.

Note 7: Investing through Etron Technology (HK) Limited, which is invested by Kinglord Corp.

2. Ceiling on reinvestments in Mainland China:

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Investment amount approved by the Department of Investment Review of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China according to the regulations stipulated by the Department of Investment Review of the Ministry of Economic Affairs (MOEA)
ETRON TECHNOLOGY, INC.	\$ 359,368 (USD 10,790 thousands)	\$ 466,694 (USD 14,235 thousands)	\$ 2,567,972