

Stock Code: 3577

ICP DAS Co., Ltd. and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report
2024 and 2023

Address: No. 111, Guangfu N. Rd., Hsinchu Industrial Park, Hukou Township, Hsinchu
County
Tel: (03)597-3366

Notice to Reader

For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

ICP DAS Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the year Ended December 31, 2024 and 2023

Independent Auditors' Report

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ICP DAS Co., Ltd.

Statement on the Consolidated Financial Statements of Affiliated Companies

The companies required to be included in the preparation of the consolidated financial statements of related enterprises and the companies required to be included in the preparation of the consolidated financial statements of the parent company and subsidiaries in accordance with the International Financial Reporting Standard No. 10 are the same for the year 2024 (from January 1, 2024 to December 31, 2024). The relevant information required to be disclosed in the consolidated financial statements of related enterprises has been disclosed in the aforementioned consolidated financial statements of the parent company and subsidiaries, so the consolidated financial statements of related enterprises will not be prepared separately.

Declaration

Company Name: ICP DAS Co., Ltd.

Person in Charge: Yeh,Nai-Ti

March 6, 2025

Independent Auditors' Report

(2025)Financial Audit Report No. 24003898.

ICP DAS Co., Ltd.,

ICP DAS Co., Ltd. and subsidiaries (hereinafter referred to as "ICP DAS Group") have had their consolidated balance sheets as of December 31, 2024 and 2023, as well as the consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows, and notes to the consolidated financial statements (including a summary of significant accounting policies) for the year ended December 31, 2024 and 2023, audited by our accountants.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of ICP DAS Group as of 2024 and December 31, 2023, and its consolidated financial performance and consolidated cash flows for the year ended December 31, 2024 and 2023, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretative Announcements endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

"Our conducted the audit in accordance with the Regulations Governing the Auditing and Certification of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. The accountants' responsibilities under those standards will be further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section. The personnel of our firm subject to independence requirements have maintained independence from ICP DAS Co., Ltd. (ICP DAS Group) in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and have fulfilled their other ethical responsibilities as required by the Norm. The Accountant believes that sufficient and appropriate audit evidence has been obtained to provide a basis for the audit opinion.

Key audit matters refers to those which, in accordance with the professional judgment of the CPA, are of utmost importance for the Consolidated Financial Statements of ICP DAS Group's audit for 2024. These matters have been addressed in the process of auditing the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Consolidated Financial Statements of ICP DAS Group for 2024 are listed as follows:

Inventory allowance for loss on decline in market value

Event Description

The accounting policies, significant accounting estimates and assumptions regarding inventory valuation, and the explanation of the accounting item for inventory loss allowance, please refer to Notes 4(11), 5(2), and 6(3) of the consolidated financial statements. As of December 31, 2024, the balances of inventories and allowance for inventory valuation losses of ICP DAS Group were NT\$705,066 thousand and NT\$199,944 thousand respectively.

ICP DAS Group is primarily engaged in the production and sales of industrial computer hardware, software, and peripherals. Since the market demand for industrial control, real-time monitoring, and automation products is diverse, ICP DAS Group needs to stock various types of products to meet the demand, resulting in a higher risk of inventory obsolescence. Moreover, as the assessment process often involves subjective judgments, it may lead to a high degree of uncertainty in accounting estimates. Therefore, the provision for inventory valuation of ICP DAS Group has been identified as one of the most critical audit matters for the current year.

Corresponding audit procedures

We have performed the following audit procedures for inventories exceeding a specific aging period and for individually identified obsolete inventories:

1. Based on our understanding of ICP DAS Group, we assessed the reasonableness of the policies and procedures adopted for the valuation of inventory allowances, including determining the extent of inventory obsolescence using historical information, and evaluating the reasonableness of the inventory allowance policies.
Review its annual inventory plan and observe the annual inventory count and management status to assess the effectiveness of management's segregation and control of obsolete inventory.
2. Review its annual inventory plan and observe the annual inventory count and management status to assess the effectiveness of management's segregation and control of obsolete inventory.
3. Verify the accuracy of the inventory aging report and the information on inventory turnover, to ensure that the report information is consistent with the relevant policies.
4. Inspect and verify the accuracy of the calculation of inventory impairment losses, and assess the appropriateness of the allowance for impairment losses.

Parent company only financial statements

ICP DAS Group has prepared its 2024 and 2023 the parent company only financial statements, and the certified public accountant has issued an unqualified audit report, which is available for reference.

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

The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretative Announcements endorsed and issued into effect by the Financial Supervisory Commission, and for maintaining effective internal control relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those in charge with ICP DAS Group's governance (including the Audit Committee) are responsible for overseeing its financial reporting process.

The Responsibilities of Auditors for the Audit of Consolidated Financial Statements

The purpose of our audit of the consolidated financial statements is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance is a high level of assurance, but according to the auditing standards generally accepted in the Republic of China, the audit work performed cannot guarantee that all material misstatements in the consolidated financial statements will be detected. Misstatements can arise from fraud or error. An item is considered material if there is a reasonable possibility that its individual or aggregated amount, if misstated, would influence the economic decisions of users made on the basis of the consolidated financial statements.

When conducting the audit in accordance with the Statements of Auditing Standards of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. The CPA also performs the following tasks:

1. Identify and assess the risks of material misstatement of the consolidated financial statements due to fraud or error; design and implement appropriate responses to those assessed risks; and obtain sufficient and appropriate audit evidence to provide a basis for our audit 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 ICP DAS Group'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 ICP DAS Group's ability to continue as a going concern. When the auditor concludes that a material uncertainty exists, the auditor shall draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, modify the opinion on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause ICP DAS Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including the related notes) and whether the consolidated financial statements appropriately represent the underlying transactions and events.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit, and for forming the audit opinion on the consolidated financial statements of the Group.

We communicated with the governance unit, among other matters, the planned scope and timing of the audit, as well as significant audit findings (including any significant deficiencies in internal control that were identified during the audit).

We also provided to the governing body a statement that the personnel of the firm to which they belong have complied with the ethical requirements regarding independence outlined in the Code of Professional Ethics for Certified Public Accountants in the Republic of China, and communicated with the governing body all relationships and other matters that may reasonably be thought to bear on their independence (including related safeguards).

From the communication with the management unit, the CPA decided on the key audit matters for the Consolidated Financial Statements of ICP DAS Group for 2024. We communicate these matters in our auditor's 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.

PWC Taiwan

Wu, Wei-Hao

CPA

Cheng, Ya-Hui

Financial Supervisory Commission
Financial Supervisory Commission Securities Examination No.
1080323093

Former Financial Supervisory Commission, Executive Yuan,
Securities and Futures Bureau,
Approval Verification Number: Financial Supervisory
Commission Securities No. 0960072936

March 6, 2025

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ICP DAS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

December 31, 2024 and 2023

Unit: NT\$ thousand

	Assets	Note	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
Current Assets						
1100	Cash and Cash Equivalents	6(1)	\$ 153,434	9	\$ 91,238	5
1150	Net Notes Receivable	6(2)	5,366	-	5,287	-
1170	Net Accounts Receivable	6(2)	130,904	8	91,101	5
1200	Other Receivables		314	-	39	-
130X	Inventories	6(3)	505,122	31	631,908	38
1410	Prepayments		10,892	1	7,753	1
11XX	Total Current Assets		<u>806,032</u>	<u>49</u>	<u>827,326</u>	<u>49</u>
Non-Current Assets						
1517	Financial assets measured at fair value through other comprehensive income - Non-current	6(4)	8,105	1	16,307	1
1600	Property, Plant, and Equipment	6(5) and 8	713,419	44	731,094	44
1755	Right-of-use Asset	6(6)	31,958	2	33,327	2
1760	Net Investment Property	6(7)(8)	7,217	-	7,400	-
1780	Intangible assets		2,499	-	3,403	-
1840	Deferred Tax Assets	6(24)	53,129	3	43,378	3
1900	Other Non-Current Assets	6(9) and 7	15,276	1	15,379	1
15XX	Total Non-Current Assets		<u>831,603</u>	<u>51</u>	<u>850,288</u>	<u>51</u>
1XXX	Total Assets		<u>\$ 1,637,635</u>	<u>100</u>	<u>\$ 1,677,614</u>	<u>100</u>

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ICP DAS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

December 31, 2024 and 2023

Unit: NT\$ thousand

	Liabilities and Equity	Note	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
	Current Liabilities					
2100	Short-Term Debts	6(10)	\$ 30,000	2	\$ 120,000	7
2130	Contract liability - Current	6(18)	11,601	1	7,236	1
2170	Accounts payable		80,661	5	37,899	2
2200	Other Payables	6(11)	108,476	7	88,164	5
2230	Current Tax Liabilities	6(24)	25,027	1	31,435	2
2280	Lease Liabilities - Current	6(6)	3,088	-	3,811	-
2399	Other current liabilities - others		7,755	-	9,387	1
21XX	Total current liabilities		<u>266,608</u>	<u>16</u>	<u>297,932</u>	<u>18</u>
	Non-current liabilities					
2540	Long-Term Debts	6(12)	10,000	1	70,000	4
2570	Deferred income tax liabilities	6(24)	1,125	-	1,214	-
2580	Lease liabilities - Non-current	6(6)	2,098	-	2,063	-
2640	Net defined benefit liability — Non-current	6(13)	28,591	2	32,108	2
2670	Other non-current liabilities - others		485	-	641	-
25XX	Total non-current liabilities		<u>42,299</u>	<u>3</u>	<u>106,026</u>	<u>6</u>
2XXX	Total liabilities		<u>308,907</u>	<u>19</u>	<u>403,958</u>	<u>24</u>
	Equity attributable to owners of the parent company					
	Share capital	6(14)				
3110	Capital - common stock		639,657	39	639,657	38
	Capital surplus	6(15)				
3200	Capital surplus		68,630	4	68,630	4
	Retained earnings	6(16)				
3310	Legal surplus reserve		198,441	12	189,271	11
3320	Special surplus reserve		4,882	-	4,549	-
3350	Undistributed surplus		418,921	26	376,431	23
	Other equity interest	6(17)				
3400	Other equity interest		(1,803)	-	(4,882)	-
31XX	Total equities attributable to owners of parent company		<u>1,328,728</u>	<u>81</u>	<u>1,273,656</u>	<u>76</u>
3XXX	Total Equity		<u>1,328,728</u>	<u>81</u>	<u>1,273,656</u>	<u>76</u>
	Significant Commitments and Contingencies	9(2)				
3X2X	Total Liabilities and Equity		<u>\$ 1,637,635</u>	<u>100</u>	<u>\$ 1,677,614</u>	<u>100</u>

The attached note of the consolidated financial statements are part of this consolidated financial report. Please refer to them together.

Chairman: Yeh, Nai-Ti

Manager: Cheng, Shu-Fa

Accounting Manager: Cheng, Pi-Yu

ICP DAS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2024 and 2023

Unit: NT\$ thousand (Except for earnings per share in NT\$)

Items	Note	2024		2023	
		Amount	%	Amount	%
4000 Operating revenue	6(18)	\$ 1,070,791	100	\$ 1,018,612	100
5000 Operating costs	6(3).(22) (23)	(505,931)	(47)	(485,723)	(47)
5900 Gross profit		<u>564,860</u>	<u>53</u>	<u>532,889</u>	<u>53</u>
Operating expenses	6(22)(23) and 7				
6100 Selling expenses		(128,252)	(12)	(128,187)	(13)
6200 Administrative expenses		(106,354)	(10)	(104,276)	(10)
6300 Research and development expenses		(213,954)	(20)	(203,404)	(20)
6450 Expected credit impairment gains		1	-	58	-
6000 Total operating expenses		<u>(448,559)</u>	<u>(42)</u>	<u>(435,809)</u>	<u>(43)</u>
Other income and net expenses and losses					
6500 Other income and net expenses and losses	6(8) (19)	1,985	-	2,348	-
6900 Operating income		<u>118,286</u>	<u>11</u>	<u>99,428</u>	<u>10</u>
Non-operating revenue and expenses					
7100 Interest Revenue		884	-	837	-
7010 Other Revenue	6(20)	12,148	1	7,139	1
7020 Other Gains and Losses	6(21)	4,173	-	(571)	-
7050 Financial Costs	6. (10). (12)	(3,331)	-	(3,748)	(1)
7000 Total Non-Operating Revenue and Expenses		<u>13,874</u>	<u>1</u>	<u>3,657</u>	<u>-</u>
7900 Net Profit Before Tax		<u>132,160</u>	<u>12</u>	<u>103,085</u>	<u>10</u>
7950 Income Tax Expense	6(24)	(28,380)	(2)	(21,033)	(2)
8200 Net Profit for the Period		<u>\$ 103,780</u>	<u>10</u>	<u>\$ 82,052</u>	<u>8</u>
Other comprehensive income (net)					
Items that will not be reclassified to profit or loss					
8311 Remeasurements of defined benefit plan	6(13)	\$ 2,080	-	\$ 9,644	1
8316 Unrealized gains or losses on equity instrument investments measured at fair value through other comprehensive income	6(17)	9,741	1	1,579	-
8310 Total of items that will not be reclassified to profit or loss		<u>11,821</u>	<u>1</u>	<u>11,223</u>	<u>1</u>
Items that may be reclassified subsequently to profit or loss					
8361 Exchange differences on translation of foreign financial statements	6(17)	3,437	-	(1,912)	-
8360 Total items that may be reclassified subsequently to profit or loss		<u>3,437</u>	<u>-</u>	<u>(1,912)</u>	<u>-</u>
8300 Other comprehensive income (net)		<u>\$ 15,258</u>	<u>1</u>	<u>\$ 9,311</u>	<u>1</u>
8500 Total comprehensive income for the current period		<u>\$ 119,038</u>	<u>11</u>	<u>\$ 91,363</u>	<u>9</u>
Net Income Attributable to:					
8610 Owner of the Parent Company		<u>\$ 103,780</u>	<u>10</u>	<u>\$ 82,052</u>	<u>8</u>
Total comprehensive income attributable to:					
8710 Owner of the Parent Company		<u>\$ 119,038</u>	<u>11</u>	<u>\$ 91,363</u>	<u>9</u>
Earnings per share	6(25)				
9750 Basic earnings per share attributable to owners of the parent company		<u>\$ 1.62</u>	<u>1.62</u>	<u>\$ 1.28</u>	<u>1.28</u>
9850 Net diluted earnings per share attributable to owners of the parent company		<u>\$ 1.62</u>	<u>1.62</u>	<u>\$ 1.28</u>	<u>1.28</u>

The attached note of the consolidated financial statements are part of this consolidated financial report. Please refer to them together.

Chairman: Yeh, Nai-Ti

Manager: Cheng, Shu-Fa

Accounting manager: Cheng, Pi Yu

ICP DAS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2024 and 2023

Unit: NT\$ thousand

	Note	Equity attributable to owners of the parent company					Other equity interest		Total Equity
		Capital - common stock	Capital surplus- Issue premium	Legal surplus reserve	Special surplus reserve	Undistributed surplus	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	
<u>2023</u>									
Balance as of January 1, 2023		\$ 581,506	\$ 68,630	\$ 166,762	\$ 7,396	\$ 449,774	(\$ 7,827)	\$ 3,278	\$ 1,269,519
Net income in 2023		-	-	-	-	82,052	-	-	82,052
Other comprehensive income in 2023	6(4).(17)	-	-	-	-	9,644	(1,912)	1,579	9,311
Total comprehensive income in 2023		-	-	-	-	91,696	(1,912)	1,579	91,363
Allocation and distribution of surplus:	6(16)								
Legal surplus reserve		-	-	22,509	-	(22,509)	-	-	-
Special surplus reserve		-	-	-	(2,847)	2,847	-	-	-
Cash dividends		-	-	-	-	(87,226)	-	-	(87,226)
Stock dividends		58,151	-	-	-	(58,151)	-	-	-
Balance as of December 31, 2023		\$ 639,657	\$ 68,630	\$ 189,271	\$ 4,549	\$ 376,431	(\$ 9,739)	\$ 4,857	\$ 1,273,656
<u>2024</u>									
Balance as of January 1, 2024		\$ 639,657	\$ 68,630	\$ 189,271	\$ 4,549	\$ 376,431	(\$ 9,739)	\$ 4,857	\$ 1,273,656
Net income in 2024		-	-	-	-	103,780	-	-	103,780
Other comprehensive income in 2024	6(4).(17)	-	-	-	-	2,080	3,437	9,741	15,258
Total comprehensive income in 2024		-	-	-	-	105,860	3,437	9,741	119,038
Allocation and distribution of surplus:	6(16)								
Legal surplus reserve		-	-	9,170	-	(9,170)	-	-	-
Special surplus reserve		-	-	-	333	(333)	-	-	-
Cash dividends		-	-	-	-	(63,966)	-	-	(63,966)
Disposal of equity instruments at fair value through comprehensive income	6(4).(17)	-	-	-	-	10,099	-	(10,099)	-
Balance as of December 31, 2024		\$ 639,657	\$ 68,630	\$ 198,441	\$ 4,882	\$ 418,921	(\$ 6,302)	\$ 4,499	\$ 1,328,728

The attached note of the consolidated financial statements are part of this consolidated financial report. Please refer to them together.

Chairman: Yeh, Nai-Ti

Manager: Cheng, Shu-Fa

Accounting manager: Cheng, Pi-Yu

ICP DAS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2024 and 2023

Unit: NT\$ thousand

	<u>Note</u>	<u>For the year ended December 31, 2024</u>	<u>For the year ended December 31, 2023</u>
Cash flows from operating activities			
Current net profit before tax		\$ 132,160	\$ 103,085
Adjustment items			
Income and expense items			
Expected credit impairment gains	6(2)	(1)	(58)
Depreciation expenses (including right-of-use assets and investment properties)	6(22)	57,084	56,558
Various amortization	6(22)	1,604	1,298
Interest revenue		(884)	(837)
Interest expense		3,331	3,748
Changes in assets/liabilities relating to operating activities			
Net movement in assets relating to operating activities			
Notes receivable		(70)	1,987
Accounts receivable		(39,811)	(4,514)
Other Receivables		(275)	364
Inventories		126,786	3,634
Prepayments		(3,139)	3,446
Net movement in liabilities relating to operating activities			
Contract liability-Current		4,367	(782)
Accounts payable		42,762	(37,951)
Other Payables		14,077	(34,700)
Other current liabilities		(1,634)	6,581
Net defined benefit liability - Non-current		(917)	(2,019)
Cash inflow from operations		335,440	99,840
Interest charged		884	837
Interest paid		(3,331)	(3,748)
Income tax paid		(45,918)	(41,656)
Net cash inflows from operating activities		<u>287,075</u>	<u>55,273</u>
Cash flows from investing activities			
Acquisition of property, plant, and equipment	6(26)	(26,525)	(31,766)
Acquisition of intangible assets		(700)	(816)
Disposal of financial assets at fair value through other comprehensive income		17,853	-
Decrease (increase) in refundable deposits		(586)	305
Decrease (increase) in other non-current assets		665	(13,736)
Net cash outflow from investing activities		<u>(9,293)</u>	<u>(46,013)</u>
Cash flows from financing activities			
Repayment of lease liabilities	6(27)	(4,326)	(4,377)
Repayment of short-term debt		(290,000)	(630,000)
Raise short-term debt		200,000	680,000
Borrowing of long-term loans		-	100,000
Repayment of long-term loans		(60,000)	(62,000)
Decrease in deposits received	6(27)	(156)	(12)
Cash dividends	6(16)	(63,966)	(87,226)
Net cash outflow from financing activities		<u>(218,448)</u>	<u>(3,615)</u>
Adjustment in exchange rate		2,862	(1,585)
Increase in cash and cash equivalents for the current period		62,196	4,060
Beginning balance of cash and cash equivalents		91,238	87,178
Ending balance of cash and cash equivalents		<u>\$ 153,434</u>	<u>\$ 91,238</u>

The attached note of the consolidated financial statements are part of this consolidated financial report. Please refer to them together.

Chairman: Yeh, Nai-Ti

Manager: Cheng, Shu-Fa

Accounting manager: Cheng, Pi Yu

ICP DAS CO., LTD. AND SUBSIDIARIES
NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

2024 and 2023

Unit: NT\$ thousand (Unless otherwise specified)

1. Company History and Business Scope

ICP DAS Co., Ltd.(hereinafter referred to as "the Company") was established in the Republic of China. The Company and its subsidiaries' (hereinafter collectively referred to as "the Group") are primarily engaged in the production and sale of industrial computer hardware, software and related peripheral equipment. The Company's shares have been officially listed and traded on the Taipei Exchange (TPEX) since January 6, 2009.

2. Approval Dates and Procedures of the Financial Statements

The Financial Statements have been approved by the Board of Directors on March 6, 2025.

3. Application of New and Amended Standards and Interpretations

(1) The impact of adopting new and amended IFRSs as endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as "FSC")

The following table summarizes the newly issued, amended, and revised standards and interpretations of International Financial Reporting Standards (IFRS) endorsed and issued into effect by the Financial Supervisory Commission (FSC) that are applicable in 2024:

<u>Newly Issued/Revised/Amended Standards and Interpretations</u>	<u>Effective date issued by IASB</u>
Amendments to IFRS 16 "Lease Liabilities in a Sale and Leaseback"	January 1, 2024
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024

The Group has assessed the aforementioned criteria and interpretations have had no material impact on its financial position and financial performance.

(2) The impact of not adopting new and revised IFRSs endorsed by the FSC

The following table summarized the new, amended, and revised standards and interpretations of IFRSs endorsed by the FSC that are applicable in 2025:

<u>Newly Issued/Revised/Amended Standards and Interpretations</u>	<u>Effective date issued by IASB</u>
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

The Group has assessed the aforementioned criteria and interpretations have had no material impact on its financial position and financial performance.

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

The following lists the new, amended, and revised standards and interpretations issued by the International Accounting Standards Board (IASB) but not yet incorporated into the International Financial Reporting Standards (IFRSs) as endorsed and issued into effect by the Financial Supervisory Commission (FSC):

<u>Newly Issued/Revised/Amended Standards and Interpretations</u>	<u>Effective date issued by IASB</u>
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 the IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9-Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027
IFRS Annual Improvements - Volume 11	January 1, 2026

Except as described below, the Group assessed that the aforementioned criteria and interpretations had no material impact on its financial position and financial performance.

IFRS 18 "Presentation and Disclosure in Financial Statements" replaces IAS 1 and updates the structure of the statement of comprehensive income. It adds disclosures about management performance measures, and strengthens the principles of aggregation and disaggregation used in the primary financial statements and notes. The relevant impacts will be disclosed upon completion of the assessment.

4. Summary of Significant Accounting Policies

The primary accounting policies applied in preparing these consolidated financial statements are outlined as below. Unless otherwise stated, these policies have been applied to all the reporting periods.

(1) Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards (IFRSs), International Accounting Standards,

Interpretations as well as related guidance translated by the Accounting Research and Development Foundation, endorsed and issued into effect by the FSC.

(2) Basis of Preparation

1. Aside from the following significant items, the consolidated financial statements have been prepared on the historical cost basis:
 - (1) Financial assets measured at fair value through other comprehensive income.
 - (2) The net defined benefit liability recognized as the present value of the defined benefit obligation, deducted from the pension fund assets.
2. The preparation of financial statements in compliance with IFRSs requires the use of certain critical accounting estimates and the use of management's judgment in the process of applying the Group's accounting policies. For items involving a high degree of judgment or complexity, or involving significant assumptions and estimates in the consolidated financial statements, please refer to Note 5 for details.

(3) Basis of Consolidation

1. Principles of Preparing Consolidated Financial Statements
 - (1) The Group includes all subsidiaries as entities for the preparation of the consolidated financial statements. A subsidiary refers to an entity (including structured entity) that is controlled by the Group while the Group is exposed to or has rights to variable compensation from its involvement with such entity and has the ability to influence such compensation through its power over the entity. Subsidiaries are included in the consolidated financial statements from the date the Group gains control, and the consolidation is terminated on the date control is lost.
 - (2) Transactions, balances, and unrealized gains or losses between companies within the Group have been eliminated. The accounting policies of the subsidiaries have been adjusted, as necessary, to ensure consistency with those adopted by the Group.
2. Subsidiaries included in the consolidated financial statements:

Name of investing company	Name of the subsidiary	Nature of business	Ownership percentage		Description
			December 31, 2024	December 31, 2023	
The Company	ADVANCE AHEAD LTD	Reinvestment enterprises	100%	100%	
The Company	ICP DAS INVEST LTD	Reinvestment enterprises	100%	100%	
ADVANCE AHEAD LTD	Shanghai Golden ICP DAS International Trade Co.,Ltd. (Second-tier Subsidiary - Shanghai Golden ICP DAS)	International trade, entrepot trade, bonded area trade between enterprises, and trade agency of industrial computer controllers and interface cards, etc.	100%	100%	
ICP DAS INVEST LTD	ICP DAS (Wuhan) (Second-tier Subsidiary - ICP DAS (Wuhan) Co., Ltd.)	Research, development, production and sales of software, hardware, electronic products, instruments, meters and automatic equipment for the automatic control industry; automation engineering and project reconstruction; related technical services and transfers.	100%	100%	

3. Subsidiaries not included in the consolidated financial statements

None.

4. Adjustments for subsidiaries with different accounting periods and handling methods

None.

5. Significant restrictions

None.

6. Subsidiaries with significant non-controlling interests to the Group

None.

(4) Foreign Currency translation

The items listed in the financial statements for the Group entities are measured using the currency of the primary economic environment (i.e. the functional currency) in which each entity operates. These consolidated financial statements are presented in New Taiwan Dollars, which is the Company's presentation currency.

1. Foreign currency transaction and balances

- (1) Foreign currency transactions are translated into the functional currency using the spot exchange rates prevailing on the trade date or measurement date. Exchange differences arising from these transactions are recognized in profit or loss for the current period.
- (2) Foreign currency monetary assets and liabilities are revalued and adjusted using the spot exchange rate at the balance sheet date. Any exchange differences arising from this adjustment are recognized in profit or loss for the current period.
- (3) Non-monetary assets and liabilities denominated in foreign currencies and measured at fair value through profit or loss are retranslated at the spot exchange rates prevailing on the balance sheet date, with exchange differences recognized in profit or loss for the current period. Non-monetary assets and liabilities denominated in foreign currencies and measured at fair value through other comprehensive income are also retranslated at the spot exchange rates prevailing on the balance sheet date, with exchange differences recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

2. Translation of foreign operations

For all entities within the Group whose functional currency differs from the presentation currency, the operating results and financial positions are translated into the presentation currency as follows:

- (1) The assets and liabilities presented in each balance sheet are translated at the closing rate on the date of that balance sheet.
- (2) The income, expenses and losses presented in each statement of comprehensive income are translated at the average exchange rate for the current period.
- (3) All exchange differences arising from translation are recognized as other comprehensive income.

(5) The criteria for classifying assets and liabilities as current and non-current

1. An asset shall be classified as a current asset when it meets any of the following criteria:

- (1) Expected to realize the asset within the normal operating cycle, or intends to sell or consume.
- (2) Held primarily for trading purposes.
- (3) Expected to be realized within 12 months after the balance sheet date.

- (4) Cash or cash equivalents, except for those restricted from being exchanged or used to settle liabilities for at least 12 months after the balance sheet date.

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

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

- (1) Expected to be settled within the normal operating cycle.
- (2) Held primarily for trading purposes.
- (3) Expected to be settled within 12 months after the balance sheet date.
- (4) Those that do not have the right to defer settlement of the liability for at least twelve months after the reporting period.

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

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

1. Refers to investment in equity instrument that are not held for trading, for which an irrecoverable option is made at initial recognition to present changes in fair value in other comprehensive income.
2. The Group adopts trade date accounting for regular-way financial assets measured at fair value through other comprehensive income.
3. At initial recognition, the Group measures the fair value plus transaction costs. Subsequently, it is measured at fair value. Changes in fair value of equity instruments are recognized in other comprehensive income. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income are not subsequently reclassified to profit or loss, but are transferred to retained earnings. The Group recognizes dividend revenue in profit or loss when the right to receive the dividend is established, it is probable that the economic benefits will flow to the Group, and the amount of the dividend can be measured reliably.

(7) Accounts and Notes Receivable

1. Refer to the accounts and notes with the right to unconditionally receive the consideration in exchange for the transfer of goods or services according to the contract.
2. Short-term accounts and notes receivable without interest paid which are measured by the Group at the original invoice amount as the effect of discounting is insignificant.

(8) Financial Asset Impairment

At each balance sheet date, the Group assesses its financial assets measured at amortized cost, considering all reasonable and supportable information (including forward-looking information), to measure the allowance for losses. For assets where the credit risk has not increased significantly since initial recognition, the allowance is measured at an amount equal to 12-month expected credit losses. For assets where the credit risk has increased significantly, the allowance is measured at lifetime expected credit losses. For accounts receivable that do not contain a significant financing component, the allowance is measured at an amount equal to lifetime expected credit losses.

(9) Derecognition of Financial Assets

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

(10) Lessor's Lease Transaction - Operating Lease

Operating lease rental income is amortized on a straight-line method over the lease term after deducting any incentives granted to the lessee, and recognized as profit or loss for the current period.

(11) Inventories

Inventories are measured at the lower of cost and net realizable value, with cost determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity), but excludes borrowing costs. When comparing the lower of the cost with net realizable value, the item-by-item comparison method is adopted. The net realizable value refers to the estimated selling price in the ordinary course of business, deducting the estimated cost of completion and the estimated cost necessary to make the sale.

(12) Property, Plant, and Equipment

1. Property, plant and equipment are recorded on the basis of acquisition cost, and the relevant interest during the period of acquisition and construction is capitalized.
2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part shall be derecognized. All other maintenance costs shall be recognized as current profit or loss when incurred.

3. Property, plant and equipment shall be subsequently measured by the cost model, and shall be depreciated by the straight-line method based on the estimated useful lives, except for land. The depreciation shall be provided separately if each component of property, plant and equipment is significant.
4. At the end of each fiscal year, the Group reviews the residual value, useful life, and depreciation method of its assets. If the expected value of residual value and useful life differs from previous estimates, or if there has been a significant change in the expected consumption pattern of future economic benefits embodied in the asset, the changes are accounted for as change in accounting estimates in accordance with IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors," effective from the date the changes occur. The useful life of each asset is as follows:

Buildings	3 to 50 years
Machinery and equipment	3 to 10 years
Mold equipment	2 years
Transportation equipment	3 to 5 years
Office equipment	3 to 5 years
Other equipment	3 to 10 years

(13) Lessee's Lease Transaction - Right-of-Use Asset/Lease Liabilities

1. Lease assets are recognized as right-of-use assets and lease liabilities when they become available for use by the Group. When the lease contract is for a short-term lease or a lease of a low-value underlying asset, lease payments are recognized as an expense using the straight-line method over the lease term.
2. The lease liabilities are recognized at the present value of unpaid lease payments, discounted using the Group's incremental borrowing rate, as of the lease commencement date. The lease payments include:
 - (1) Fixed payments, less any lease incentives receivable;
 - (2) Variable lease payments that depend on certain index or rates;
 - (3) The amount expected to be paid by the Group under residual value guarantees;
 - (4) The exercise price of a purchase option if the lessee is reasonably certain to exercise that option
 - (5) Penalties payable for terminating the lease, if the lessee exercising an option to terminate the lease during the lease term.

Subsequently, the interest method is used to measure at amortized cost, with interest expense recorded over the lease term. When there is a change in the lease term or lease payments that does not result from a contract revision, the lease liability is reassessed, and the remeasurement amount is adjusted against the right-of-use asset.

3. Right-of-use assets are recognized at cost on the lease commencement date, with the cost including:
 - (1) The initial measurement amount of the lease liability;
 - (2) Any lease payments made on or before the commencement date;
 - (3) Any initial direct costs incurred; and
 - (4) The estimated costs of dismantling, removing the underlying asset, and restoring the site where it is located, or restoring the underlying asset to the condition required by the lease terms and conditions.

Subsequently measured using the cost model, with depreciation expense recognized over the shorter of the useful life of the right-of-use asset or the lease term. When the lease liabilities are reassessed, the right-of-use asset will be adjusted for any remeasurement amount of the lease liability.

(14) Investment property

Investment properties are initially recognized at cost and subsequently measured using the cost model. Depreciation is recorded using the straight-line method over an estimated useful life of 30 years.

(15) Intangible assets

1. Computer software

Computer software is recognized at cost of acquisition and amortized using the straight-line method over an estimated useful life of 1 to 3 years.

2. Technology licensing

The medical technology licenses are recognized at cost of acquisition and amortized using the straight-line method over an amortization period of 10 years.

(16) Impairment of non-financial assets

The Group estimates the recoverable amount of assets with impairment indications on the balance sheet date. When the recoverable amount is lower than its carrying amount, an impairment loss is recognized. The recoverable amount is the higher of an asset's fair value less costs of disposal or its value in use. When an asset's previously recognized impairment no longer exists or decreases, the impairment loss should be reversed. However, the resulting increase in the asset's carrying amount from the reversal should not exceed the amount it would have been after deducting depreciation or amortization if the impairment loss had not been recognized.

(17) Debt

Refers to the long-term and short-term debts from banks. The Group measures them at fair value, less transaction costs at initial recognition, and subsequently recognizes interest expense in profit or loss over the circulation period. The difference between the transaction costs deducted and the redemption value is accounted for using the effective interest method.

(18) Accounts and notes payable

1. Refers to debts arising from the purchase of raw materials, goods, or services, as well as notes payable from business and non-business operations.
2. For short-term accounts and notes payable without interest accrued, the Group measures them at the original invoice amount, as the effect of discounting is immaterial.

(19) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are cancelled or expired.

(20) Employee benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount expected to be paid and recognized as an expense when the related service is provided.

2. Pension

- (1) Defined contribution plans

For defined contribution plans, the amount of pension fund contributions to be made is recognized as pension fund costs for the current period on an accrual basis. Prepaid contributions are recognized as assets to the extent that a cash refund or a reduction in future payments is available.

- (2) Defined benefit plans

- A. The net obligation under the defined benefit plan is calculated by discounting the future benefits earned by the employee's current or past service, and the present value of the defined benefit obligation on the balance sheet date, minus the fair value of the plan assets. The net defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The discount rate is determined based on market yields of high-quality corporate bonds with terms and currencies that are consistent with the defined benefit obligation. In countries where there is no deep market for such bonds, the market yields of government bonds are used (as of the balance sheet date).

- B. Remeasurements arising from defined benefit plans are recognized in other comprehensive income in the period they occur and are presented in retained earnings.
 - C. The expense related to past service costs is recognized immediately in profit or loss.
3. Compensation of employees, directors, and supervisors

Compensation of employees, directors, and supervisors is recognized as expenses and liabilities when there is a legal or constructive obligation and the amount can be reasonably estimated. If there is a discrepancy between the actual distribution amount and the estimated amount in subsequent resolutions, it should be treated as a change in accounting estimate. For employee compensation paid in shares, the number of shares is calculated based on the closing market price on the day preceding the Board of Directors' resolution date.

(21) Income tax

1. Income tax expense includes current and deferred tax. Except for income tax related to items recognized in other comprehensive income or directly in equity, which are recorded in other comprehensive income or directly in equity, income tax is recognized in profit or loss.
2. The Group calculates the current income tax based on the tax rates enacted or substantively enacted as of the balance sheet date in the countries in which it operates and generates taxable income. Management periodically evaluates status of income tax filings in accordance with applicable tax regulations and, where applicable, estimates income tax liabilities based on the expected payments to the tax authorities. The income tax imposed on undistributed earnings under the Income Tax Act should not be recognized for the distribution of undistributed earnings until after the shareholders' meeting has approved the distribution of surplus in the year after the year in which the surplus is generated.
3. Deferred income tax is recognized using the balance sheet method, based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheets. If temporary differences arise from investments in subsidiaries and the Group is able to control the timing of the reversal of those differences, and it is unlikely that the temporary differences will reverse in the foreseeable future, they are not recognized. Deferred income tax is measured based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax assets are realized or the deferred tax liabilities are settled.

4. Deferred income tax assets are recognized for temporary differences to the extent that it is probable that these assets can be utilized to offset future taxable income. Both unrecognized and recognized deferred income tax assets are reassessed at each balance sheet date.
5. Current tax assets and liabilities are offset only when there is a legal right to offset and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset only when there is a legal right to offset and they are levied by the same tax authority for the same taxpayer or different taxpayers who intend to settle on a net basis or realize the asset and settle the liability simultaneously.
6. The unused tax deductions arising from the purchase of equipment and research and development expenditures are recognized as deferred tax assets to the extent that it is probable that future taxable income will be available against which these unused tax credits can be utilized.

(22) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of new shares or stock options, after deducting income taxes, are recognized as a reduction in equity.

(23) Dividend distribution

Dividends distributed to the Company's shareholders are recognized in the financial statements when approved by the shareholders at the shareholders' meeting. Cash dividends are recognized as a liability, while stock dividends are recorded as stock dividends to be distributed and are subsequently reclassified to ordinary shares on the base date of new shares issuance.

(24) Revenue recognition

The Group manufactures and sells industrial computer hardware, software, and related peripheral products. Sales revenue is recognized when control of the product is transferred to the customer. This occurs when the product is delivered to the customer, the customer has discretion over the sales channel and price of the product, and there are no unfulfilled obligations that could affect the customer's acceptance of the product. Delivery occurs when the products have been shipped to the designated location, the risks of obsolescence and loss have been transferred to the customer, and the customer has accepted the products according to the sales contract, or there is objective evidence that all acceptance criteria have been met.

(25) Government grants

Government grants are recognized at fair value when it is reasonably assured that the enterprise will comply with the conditions attached to the grants and that the grants will be received. Government grants are recognized as income on a systematic basis during the period in which the related expenses are incurred, when the nature of the government grants is to compensate for expenses incurred by the Group.

(26) Operating segments

The operating segment information of the Group is reported in a manner consistent with the internal management reports provided to the chief operating decision maker. The Group's chief operating decision maker, responsible for allocating resources and assessing performance of the operating segments, is identified as the Board of Directors.

5. **Significant accounting judgments, assumptions and primary sources of estimation uncertainty**

During the preparation of the Group's consolidated financial statements, the management exercised judgment to determine the accounting policies to be adopted and made accounting estimates and assumptions about future events based on the conditions prevailing at the balance sheet date. Significant accounting estimates and assumptions may differ from actual results. These estimates will be continuously evaluated and adjusted based on historical experience and other factors. These estimates and assumptions carry a risk of leading to material adjustments in the carrying amounts of assets and liabilities within the next financial year. Please refer to the following descriptions of significant accounting judgments, estimates and assumptions of uncertainty:

(1) Significant judgments in applying accounting Policies

None.

(2) Significant accounting estimates and assumptions

Since inventories must be calculated at the lower of cost or net realizable value, the Group needs to assess and estimate the net realizable value of inventories as of the balance sheet date. Due to the rapid technological changes, the Group assesses the value of inventories on the balance sheet date for normal deterioration, obsolescence, or lack of market value, and adjusts the inventory cost to net realizable value. This inventory valuation is primarily based on estimates of product demand within a specific future period and may be subjected to significant fluctuations.

As of December 31, 2024, the carrying amount of the Group's inventories was NT\$505,122.

6. Explanation of significant accounts

(1) Cash

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand and working capital	\$ 1,202	\$ 1,113
Checking accounts and demand deposits	152,232	90,125
Total	<u>\$ 153,434</u>	<u>\$ 91,238</u>

- The Group's counterparties have good credit quality, and the Group diversifies its credit risk by maintaining relationships with multiple financial institutions. Thus, the likelihood of default is considered extremely low.
- The Group has not pledged any cash and cash equivalents as collateral.

(2) Notes and accounts receivable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes receivable	\$ 5,394	\$ 5,324
Less: Allowance for losses	(28)	(37)
	<u>\$ 5,366</u>	<u>\$ 5,287</u>
Accounts receivable	\$ 130,913	\$ 91,102
Less: Allowance for losses	(9)	(1)
	<u>\$ 130,904</u>	<u>\$ 91,101</u>

- The aging analysis of accounts receivable and notes receivable is as follows:

	<u>December 31, 2024</u>		<u>December 31, 2023</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not overdue	\$ 128,961	\$ 5,394	\$ 88,303	\$ 5,324
1-30 days	1,702	-	2,242	-
31-90 days	241	-	557	-
91-180 days	-	-	-	-
More than 181 days	<u>9</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 130,913</u>	<u>\$ 5,394</u>	<u>\$ 91,102</u>	<u>\$ 5,324</u>

The above aging analysis is based on the number of days past due.

- As of December 31, 2024 and 2023, the balances of accounts receivable and notes receivable were all derived from customer contracts. Additionally, the balance of accounts receivable from customer contracts as of January 1, 2023, was \$93,899.
- The Group has not pledged any notes receivable or accounts receivable as collateral.

4. The maximum exposure to credit risk for the Group's notes receivable as of December 31, 2024 and 2023 was \$5,366 and \$5,287, respectively. The maximum exposure to credit risk for the Group's accounts receivable as of December 31, 2024 and 2023, was \$130,904 and \$91,101 without considering any collateral held or other credit enhancements.
5. Please refer to Note 12(2) for credit risk information of the related accounts receivable and notes receivable.

(3) Inventories

	December 31, 2024		
	Cost	Allowance for impairment losses	Carrying amounts
Raw materials	\$ 357,499	\$ 134,231	\$ 223,268
Work in progress	154,832	(19,523)	135,309
Finished good	192,735	(46,190)	146,545
Total	\$ 705,066	(\$ 199,944)	\$ 505,122

	December 31, 2023		
	Cost	Allowance for impairment losses	Carrying amounts
Raw materials	\$ 454,523	(\$ 98,281)	\$ 356,242
Work in progress	136,485	(19,341)	117,144
Finished good	194,025	(35,503)	158,522
Total	\$ 785,033	(\$ 153,125)	\$ 631,908

Current cost of inventories recognized by the Group as expense or loss:

	2024	2023
Cost of inventories sold	\$ 426,622	\$ 420,985
Inventory loss from price decline	46,158	38,833
Inventory shortage (surplus)	2	(33)
Others	33,149	25,938
	\$ 505,931	\$ 485,723

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

	December 31, 2024	December 31, 2023
Unlisted/OTC stocks	\$ 2,481	\$ 10,236
Valuation adjustment	5,624	6,071
Total	\$ 8,105	\$ 16,307

1. The Group opted to categorizes its strategic investments in ICPDAS USA INC as

financial assets measured at fair value through other comprehensive income. The fair values of these investments as of December 31, 2024 and 2023, were \$8,105 and \$16,307, respectively.

2. The Group, in 2024, sold equity instruments valued at \$17,853 due to a change in investment strategy, resulting in a cumulative disposal gain of \$10,099, which was transferred from other equity to unappropriated earnings.
3. The details of financial assets at fair value through other comprehensive income recognized in profit or loss and comprehensive income are as follows:

	<u>2024</u>	<u>2023</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value changes recognized in other comprehensive income	\$ 9,741	\$ 1,579
Accumulated gain or loss transferred to retained earnings due to derecognition	(\$ 10,099)	\$ -

4. The Group has not pledged financial asset measured at fair value through other comprehensive income as collateral.
5. For the information of financial assets measured at fair value through other comprehensive income, please refer to Note 12.(3).

(5) Property, Plant, and Equipment

2024

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Mold equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Unfinished construction and equipment's pending acceptance</u>	<u>Total</u>
January 1									
Cost	\$ 341,780	\$ 471,111	\$ 103,064	\$ 1,019	\$ 9,692	\$ 6,405	\$ 23,123	\$ 29,731	\$ 985,925
Accumulated depreciation and impairment	-	(199,124)	(36,236)	(724)	(4,083)	(4,824)	(9,840)	-	(254,831)
	<u>\$ 341,780</u>	<u>\$ 271,987</u>	<u>\$ 66,828</u>	<u>\$ 295</u>	<u>\$ 5,609</u>	<u>\$ 1,581</u>	<u>\$ 13,283</u>	<u>\$ 29,731</u>	<u>\$ 731,094</u>
January 1	\$ 341,780	\$ 271,987	\$ 66,828	\$ 295	\$ 5,609	\$ 1,581	\$ 13,283	\$ 29,731	\$ 731,094
Addition	-	17,270	7,744	1,180	2,355	159	3,362	690	32,760
Reclassification (Note)	-	28,741	95	29	-	-	890	(29,731)	24
Depreciation expense	-	(26,206)	(17,540)	(739)	(1,506)	(641)	(4,056)	-	(50,688)
Net exchange differences	-	199	14	-	-	16	-	-	229
December 31	<u>\$ 341,780</u>	<u>\$ 291,991</u>	<u>\$ 57,141</u>	<u>\$ 765</u>	<u>\$ 6,458</u>	<u>\$ 1,115</u>	<u>\$ 13,479</u>	<u>\$ 690</u>	<u>\$ 713,419</u>
December 31									
Cost	\$ 341,780	\$ 517,905	\$ 110,728	\$ 1,209	\$ 11,415	\$ 4,726	\$ 25,265	\$ 690	\$ 1,013,718
Accumulated depreciation and impairment	-	(225,914)	(53,587)	(444)	(4,957)	(3,611)	(11,786)	-	(300,299)
	<u>\$ 341,780</u>	<u>\$ 291,991</u>	<u>\$ 57,141</u>	<u>\$ 765</u>	<u>\$ 6,458</u>	<u>\$ 1,115</u>	<u>\$ 13,479</u>	<u>\$ 690</u>	<u>\$ 713,419</u>

Note: This period's transfer is from other non-current assets.

2023

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Mold equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Unfinished construction and equipment's pending acceptance</u>	<u>Total</u>
January 1									
Cost	\$ 324,536	\$ 453,442	\$ 67,787	\$ 1,581	\$ 11,171	\$ 6,746	\$ 23,762	\$ 59,356	\$ 948,381
Accumulated depreciation and impairment	-	(172,164)	(22,976)	(638)	(4,987)	(5,072)	(9,863)	-	(215,700)
	<u>\$ 324,536</u>	<u>\$ 281,278</u>	<u>\$ 44,811</u>	<u>\$ 943</u>	<u>\$ 6,184</u>	<u>\$ 1,674</u>	<u>\$ 13,899</u>	<u>\$ 59,356</u>	<u>\$ 732,681</u>
January 1	\$ 324,536	\$ 281,278	\$ 44,811	\$ 943	\$ 6,184	\$ 1,674	\$ 13,899	\$ 59,356	\$ 732,681
Addition	-	2,171	20,299	-	1,195	621	3,531	3,555	31,372
Reclassification (Note)	17,244	15,917	17,113	-	-	212	-	(33,180)	17,306
Depreciation expense	-	(27,270)	(15,386)	(648)	(1,770)	(917)	(4,147)	-	(50,138)
Net exchange differences	-	(109)	(9)	-	-	(9)	-	-	(127)
December 31	<u>\$ 341,780</u>	<u>\$ 271,987</u>	<u>\$ 66,828</u>	<u>\$ 295</u>	<u>\$ 5,609</u>	<u>\$ 1,581</u>	<u>\$ 13,283</u>	<u>\$ 29,731</u>	<u>\$ 731,094</u>
December 31									
Cost	\$ 341,780	\$ 471,111	\$ 103,064	\$ 1,019	\$ 9,692	\$ 6,405	\$ 23,123	\$ 29,731	\$ 985,925
Accumulated depreciation and impairment	-	(199,124)	(36,236)	(724)	(4,083)	(4,824)	(9,840)	-	(254,831)
	<u>\$ 341,780</u>	<u>\$ 271,987</u>	<u>\$ 66,828</u>	<u>\$ 295</u>	<u>\$ 5,609</u>	<u>\$ 1,581</u>	<u>\$ 13,283</u>	<u>\$ 29,731</u>	<u>\$ 731,094</u>

Note: This period's transfer is from other non-current assets.

1. The capitalization of interest amounts for the periods for the year ended December 31, 2024 and 2023, were 0.
2. The material components of the Group's buildings include construction and high-voltage electrical facilities, which are depreciated over 10 to 50 years and 20 years, respectively.
3. There is no impairment of property, plant and equipment.
4. Please refer to Note 8 for information on collateral or pledge provided with property, plant and equipment.

(6) Lease Transactions- Lessee

1. The Group's leased underlying assets include land use rights and buildings. The signed land use rights contracts have a lease term of 40 years, while building lease contracts typically have a lease term of 1 to 3 years. Lease contracts are negotiated separately and include various terms and conditions. Except for land use rights, leased assets cannot be used as collateral or pledged, and no other restrictions apply.
2. The lease term for the Group's leased office premises and parking spaces is less than 12 months. Leases for low-value underlying assets, such as water dispensers and office equipment, are also accounted for.
3. The carrying amounts of right-of-use assets and the depreciation expenses recognized are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	<u>Carrying amounts</u>	<u>Carrying amounts</u>
Land use rights	\$ 26,772	\$ 27,453
Building	5,186	5,874
	<u>\$ 31,958</u>	<u>\$ 33,327</u>

	<u>2024</u>	<u>2023</u>
	<u>Depreciation expense</u>	<u>Depreciation expense</u>
Land use rights	\$ 1,630	\$ 1,609
Building	4,326	4,378
	<u>\$ 5,956</u>	<u>\$ 5,987</u>

4. The Group's additions to right-of-use assets in 2024 and 2023 were \$3,437 and \$4,849, respectively.
5. Information on profit or loss items related to lease contracts is as follows:

	<u>2024</u>	<u>2023</u>
<u>Items affecting current profit or loss</u>		
Expense attributable to short-term leases	\$ 6,242	\$ 6,230
The expense of leases of low-value assets	1,251	1,251

6. The Group's total lease cash outflows in 2024 and 2023 were \$11,819 and \$11,858, respectively.

7. Options to extend and terminate a lease

In determining the lease term, the Group assesses all facts and circumstances that create economic incentives either to exercise an extension option or to not exercising a termination option. The lease term is reassessed if a significant event occurs that affects this assessment.

(7) Lease Transactions- Lessor

1. The Group's underlying assets include buildings, with lease terms typically range from 1 and 3 years. Lease contracts are negotiated separately and include various terms and conditions. To protect the situation of leased assets, lessees are generally required not to use them as debt collateral or to provide residual value guarantees.
2. The Group recognized rental income of \$2,425 and \$2,781 from operating leases in 2024 and 2023, respectively, none of which were variable lease payments.
3. The analysis of the lease payments due for the Group's operating leases is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Within 1 year	\$ 2,621	\$ 2,374
1 to 2 years	1,533	1,649
2 to 3 years	257	693
Total	<u>\$ 4,411</u>	<u>\$ 4,716</u>

(8) Investment property

	<u>Buildings</u>	
	<u>2024</u>	<u>2023</u>
January 1		
Cost	\$ 12,808	\$ 13,048
Accumulated depreciation and impairment	(5,408)	(5,074)
	<u>\$ 7,400</u>	<u>\$ 7,974</u>
January 1	\$ 7,400	\$ 7,974
Depreciation expense	(440)	(433)
Net exchange differences	257	(141)
December 31	<u>\$ 7,217</u>	<u>\$ 7,400</u>
December 31		
Cost	\$ 13,256	\$ 12,808
Accumulated depreciation and impairment	(6,039)	(5,408)
	<u>\$ 7,217</u>	<u>\$ 7,400</u>

1. Rent revenue and direct operating expenses from investment properties:

	<u>2024</u>	<u>2023</u>
Rental revenue from investment properties	\$ 2,425	\$ 2,781
Direct operating expenses incurred for investment properties that generates rental income during the period	\$ 440	\$ 433

2. The fair values of the investment properties held by the Group as of December 31, 2023, and 2024, were \$17,483, and \$17,299, respectively. These fair values were based on the valuations by independent appraisers. The valuations used the income method, and since the parameters used were unobservable inputs, they were classified as Level 3 fair values. The key assumptions were as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Annual depreciation rate	1.80%	1.80%
One-year fixed deposit interest rate	1.10%	1.45%
Capitalization rate of real estate income	3.10%	3.18%

3. Please refer to Note 6(7) for details of lease transactions for investment properties.
4. No impairment losses were incurred, and no collateral or pledge was provided for investment properties.

(9) Other Non-Current Assets

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Refundable deposits	\$ 12,486	\$ 11,900
Prepayments for business facilities	2,790	3,479
	<u>\$ 15,276</u>	<u>\$ 15,379</u>

(10) Short-Term Debts

<u>Nature of debt</u>	<u>December 31, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank loans			
Credit loans	<u>\$ 30,000</u>	1.93%	None
<u>Nature of debt</u>	<u>December 31, 2023</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank loans			
Credit loans	<u>\$ 120,000</u>	1.8%-1.98%	None

Interest expense recognized in profit or loss for 2024 and 2023 amounted to \$1,688 and \$2,915, respectively.

(11) Other Payables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Wages and salaries payable	\$ 50,700	\$ 46,340
Compensation payable to directors, supervisors, and employees	19,386	10,240
Payables on equipment	8,595	2,360
Others	29,795	29,224
	<u>\$ 108,476</u>	<u>\$ 88,164</u>

(12) Long-Term Debts

<u>Nature of debt</u>	<u>Loan period and repayment method</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2024</u>
Secured loan	From September 27, 2023, to May 25, 2026, with interest payable monthly and the principal repayable in full upon maturity.	2.508%	Land and buildings (Note 1)	\$ 10,000
<u>Nature of debt</u>	<u>Loan period and repayment method</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2023</u>
Secured loan	From September 27, 2023, to May 25, 2026, with interest payable monthly and the principal repayable in full upon maturity.	2.335%	Land and buildings	\$ 70,000

Interest expense recognized in profit or loss for 2024 and 2023 amounted to \$1,643 and \$833, respectively.

Note 1: This loan was repaid in installments in advance during 2024.

(13) Pension

- (1) The Company has established a defined benefit plan under the Labor Standards Act, which applies to the service years of all permanent employees prior to the implementation of the Labor Pension Act on July 1, 2005, as well as the subsequent service years of employees who choose to continue to apply the Labor Standards Act after the implementation of the Labor Pension Act. For employees who are qualify for retirement, the pension is calculated based on years of service and the average salary for the six months prior to retirement. For up to 15 years of service, two base units are given for each year of service. For service years exceeding 15 years, one base unit is given for each year of service, with a maximum of 45 base units. The Company contributes 2% of the total salary to a retirement fund on a monthly basis, which is deposited in a dedicated bank account at the Bank of Taiwan under the name of the Labor Retirement Reserve Fund Supervisory Committee. Furthermore, before the end of each year, the Company will estimate the balance of the aforementioned dedicated bank account. If the balance is insufficient to cover the estimated pensions calculated for employees who will meet the retirement conditions in the following year, the Company will make a one-time contribution to cover the shortfall by the end of March of the following year.

(2) Amounts recognized in the balance sheet are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Present value of a defined benefit obligation	(\$ 40,117)	(\$ 40,826)
Fair value of plan assets	<u>11,526</u>	<u>8,718</u>
Net defined benefit liability	<u>(\$ 28,591)</u>	<u>(\$ 32,108)</u>

(3) Net defined benefit liability

	<u>Present value of a defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
2024			
Balance as of January 1	(\$ 40,826)	\$ 8,718	(\$ 32,108)
Interest expenses (revenue)	(506)	<u>113</u>	(393)
	<u>(41,332)</u>	<u>8,831</u>	<u>(32,501)</u>
Remeasurement Amount:			
Return on plan assets (excluding amounts included in interest income or expense)	-	1,697	1,697
Effect of financial assumption changes	1,537	-	1,537
Experience adjustments	(634)	-	(634)
	<u>903</u>	<u>1,697</u>	<u>2,600</u>
Pension contribution fund	-	1,310	1,310
Benefits paid	<u>312</u>	<u>(312)</u>	<u>-</u>
Balance as of December 31	<u>(\$ 40,117)</u>	<u>\$ 11,526</u>	<u>(\$ 28,591)</u>

	<u>Present value of a defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
2023			
Balance as of January 1	(\$ 64,958)	\$ 18,776	(\$ 46,182)
Interest expenses (revenue)	(870)	257	(613)
Settlement gain (loss)	<u>1,014</u>	<u>-</u>	<u>1,014</u>
	<u>(64,814)</u>	<u>19,033</u>	<u>(45,781)</u>
Remeasurement Amount:			
Return on plan assets (excluding amounts included in interest income or expense)	-	131	131
Effect of demographic assumption changes	(1)	-	(1)
Effect of financial assumption changes	11,085	-	11,085
Experience adjustments	<u>840</u>	<u>-</u>	<u>840</u>
	<u>11,924</u>	<u>131</u>	<u>12,055</u>
Pension contribution fund	-	1,618	1,618
Benefits paid	<u>12,064</u>	<u>(12,064)</u>	<u>-</u>
Balance as of December 31	<u>(\$ 40,826)</u>	<u>\$ 8,718</u>	<u>(\$ 32,108)</u>

- (4) The assets of the Company's defined benefit pension plans are entrusted to the Bank of Taiwan for management. The investment is conducted within the ratio and amount range of the commissioned operating items stipulated in the fund's annual investment plan, in accordance with Article 6 of the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. This includes deposits in domestic or foreign financial institutions, investments in domestic or foreign listed, over-the-counter, or privately placed equity securities, and investments in securitized real estate products. The utilization of the fund is supervised by the Labor Retirement Fund Supervisory Committee. The minimum earnings to be distributed upon annual settlement of the fund shall not be less than the earnings calculated based on the two-year term deposit interest rates of local banks. If there is a shortfall, it shall be supplemented by the national treasury after approval by the competent authority. As the Company does not have the authority to participate in the operation and management of the fund, it is unable to disclose the classification of the fair value of plan assets as required by paragraph 142 of IAS 19. Please refer to the annual labor pension fund utilization reports published by the government for the fair value of the total plan assets as of 2024 and December 31, 2023.
- (5) The principal actuarial assumptions are summarized as follows:

	<u>2024</u>	<u>2023</u>
Discount rate	<u>1.65%</u>	<u>1.25%</u>
Future salary increase rate	<u>2.00%</u>	<u>2.00%</u>

The assumptions for future mortality rates are based on the 6th Experience Mortality Table issued by the Actuarial Institute of Taiwan Life Insurance Industry.

An analysis of the impact on the present value of defined benefit obligations from changes in key actuarial assumptions is as follows:

	<u>Discount rate</u>		<u>Future salary increase rate</u>	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
December 31, 2024				
Impacts on present value of defined benefit obligation	(\$ <u>917</u>)	<u>\$ 951</u>	<u>\$ 944</u>	(\$ <u>917</u>)
December 31, 2023				
Impacts on present value of defined benefit obligation	(\$ <u>1,001</u>)	<u>\$ 1,039</u>	<u>\$ 1,029</u>	(\$ <u>996</u>)

The above sensitivity analysis is based on the impact of changes in a single assumption while all other assumptions remain unchanged. In practice, changes in many assumptions are likely to be interrelated. The sensitivity analysis is consistent with the method used to calculate the net pension liability on the balance sheet.

The methods and assumptions used in preparing the sensitivity analysis for the current period are consistent with those used in the previous period.

- (6) The Group anticipates a pension contribution of \$1,335 for 2025.
- (7) As of December 31, 2024, the weighted average duration of the retirement plan is 9 years. The analysis of the timing of future pension payments is as follows:

Less than 1 year	\$ 1,525
1-2 years	1,756
2-5 years	11,401
Over 5 Years	<u>32,139</u>
	<u>\$ 46,821</u>

2. (1) Since July 1, 2005, in accordance with the "Labor Pension Act," the Company has established a defined plan of pension contribution applicable to employees with Taiwanese nationality. For employees who have chosen to adopt the pension system defined by the "Labor Pension Act," the Company contributes 6% of the employee's monthly salary to their individual accounts at the Bureau of Labor Insurance. Upon retirement, employees can choose to receive their pensions either as monthly payments or as a lump sum, based on the balance and accumulated returns in their dedicated pension account.
- (2) Shanghai Golden and ICP DAS(Wuhan) contribute pension insurance premiums based on a certain percentage of the total salaries of local employees in accordance with the pension insurance system stipulated by the Chinese government, with a contribution rate of 14%~16% in 2024 and 2023. Employees' pensions are arranged by the government, and the Group has no further obligations other than making the monthly contributions.
- (3) The Group recognized pension costs for the year ended December 31, 2024 and 2023 were \$18,874 and \$18,161, respectively, in accordance with the aforementioned pension plan.

(14) Share capital

1. As of December 31, 2024 and 2023, the authorized share capital of the Company was both NT\$800,000 (of which NT\$75,000 was reserved for employee share warrants), and the paid-in capital was NT\$639,657 and NT\$581,506, respectively, with a par value of NT\$10 per share. The payment for all issued shares of the Company has been fully received.
2. Based on the resolution of the shareholders' meeting on June 2023, the Company issued 5,815,059 new shares with a par value of NT\$10 per share, totaling NT\$58,151 through undistributed surplus. The capital increase was registered and completed on October 4, 2023.

(15) Capital surplus

Under the Company Act, any surplus from issuing stock above its par value and capital surplus received from donations, apart from being used to offset losses, may be distributed to shareholders in the form of new shares or cash in proportion to their existing shares, when the Company has no accumulated deficit. Additionally, according to the relevant regulations under the Securities and Exchange Act, when the aforementioned additional capital surplus is used to increase capital, the total amount allocated each year must not exceed 10% of the paid-in capital. Capital surplus may not be used to cover capital deficits unless the Company has first used its retained earnings to cover any such deficits.

(16) Retained earnings

1. According to the Company's articles of incorporation, if there is a surplus in the annual total budget, taxes must be paid first, following by the covering of any previous deficits. Then, 10% of the surplus should be allocated as a legal reserve surplus. After that, a special surplus reserve should be set aside as required by the laws or regulations of the competent authority. Any remaining surplus should be combined with the undistributed surplus from previous years to form the accumulated distributable surplus, for which the Board of Directors shall propose a distribution plan to be resolved at the shareholders' meeting.
2. As the Company's business is currently in the growth stage, the dividend distribution policy should consider current and future operational plans, investment plans, capital budgets, changes in both internal and external environments, as well as shareholders' interests and the balance of dividends. Each year, the Board of Directors should propose a distribution proposal in accordance with the law and submit it to the shareholders' meeting for approval. The Company's shareholder dividend distribution may be made in the form of stock dividends, and the proportion of cash dividends distributed to shareholders should not be less than 10% of the total shareholder dividends.
3. Legal surplus reserve may only used to offset the Company's losses, or to distribute new shares or cash in proportion to the existing shares of shareholders. Issuance of new shares or cash dividends is allowed only if the reserve exceeds 25% of the Company's paid-in capital.
4. On June 9, 2023, the shareholders' meeting resolved to distribute cash dividends of NT\$87,226 (NT\$1.5 per share) and stock dividends of NT\$58,151 (NT\$1 per share) on common shares from the 2022 earnings.
5. On June 13, 2024, the shareholders' meeting resolved to distribute cash dividends of NT\$63,966 (NT\$1.0 per share) on common shares from the 2023 earnings.
6. On March 6, 2025, the Board of Directors proposed to distribute a cash dividend of \$95,948 (NT\$1.5 per share) on common shares from the retained earnings of 2024.

(17) Other equity items

	2024		
	<u>Unrealized valuation profit or loss</u>	<u>Foreign Currency translation</u>	<u>Total</u>
January 1, 2024	\$ 4,857	(\$ 9,739)	(\$ 4,882)
Valuation adjustment	9,652	-	9,652
Tax amount of valuation adjustment	89	-	89
Transfer of accumulated gains and losses from disposal of equity instruments to retained earnings	(10,099)	-	(10,099)
Foreign currency translation difference:			
- The Group	-	4,296	4,296
- The Group's tax amount	-	(859)	(859)
December 31, 2024	<u>\$ 4,499</u>	<u>(\$ 6,302)</u>	<u>(\$ 1,803)</u>

	2023		
	<u>Unrealized valuation profit or loss</u>	<u>Foreign Currency translation</u>	<u>Total</u>
January 1, 2023	\$ 3,278	(\$ 7,827)	(\$ 4,549)
Valuation adjustment	1,973	-	1,973
Tax amount of valuation adjustment	(394)	-	(394)
Foreign currency translation difference:			
- The Group	-	(2,390)	(2,390)
- The Group's tax amount	-	478	478
December 31, 2023	<u>\$ 4,857</u>	<u>(\$ 9,739)</u>	<u>(\$ 4,882)</u>

(18) Operating revenue

	<u>2024</u>	<u>2023</u>
Revenue from contracts with customers	<u>\$1,070,791</u>	<u>\$1,018,612</u>

1. Breakdown of revenue contracts with customers

The Company's revenue is derived from the transfer of goods at a specific point in time and can be broken down into the following major products and divisions:

2024	<u>The Company</u>	Second-tier Subsidiary	Second-tier Subsidiary	<u>Total</u>
		<u>Shanghai Golden ICP DAS</u>	<u>ICP DAS (Wuhan)</u>	
Remote controllers, industrial control interface cards	\$ 840,018	\$ 100,980	\$ 104	\$ 941,102
Others	<u>127,692</u>	<u>1,598</u>	<u>399</u>	<u>129,689</u>
Total	<u>\$ 967,710</u>	<u>\$ 102,578</u>	<u>\$ 503</u>	<u>\$ 1,070,791</u>

<u>2023</u>	<u>The Company</u>	Second-tier Subsidiary	Second-tier Subsidiary	<u>Total</u>
		<u>Shanghai Golden ICP DAS</u>	<u>ICP DAS (Wuhan)</u>	
Remote controllers, industrial control interface cards	\$ 800,953	\$ 119,940	\$ 347	\$ 921,240
Others	<u>90,159</u>	<u>4,204</u>	<u>3,009</u>	<u>97,372</u>
Total	<u>\$ 891,112</u>	<u>\$ 124,144</u>	<u>\$ 3,356</u>	<u>\$ 1,018,612</u>

2. Contract Liability

The contract liabilities in relation to revenue from contracts with customers recognized by the Group are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Contract liability	<u>\$ 11,601</u>	<u>\$ 7,236</u>	<u>\$ 8,018</u>

Revenue recognized in the current period for contract liabilities at the beginning of the period

	<u>2024</u>	<u>2023</u>
Merchandise sales contract	<u>\$ 6,809</u>	<u>\$ 5,849</u>

(19) Other income and net expenses and losses

	<u>2024</u>	<u>2023</u>
Other income		
Rent income	\$ 2,425	\$ 2,781
Other losses		
Depreciation expense	(440)	(433)
Total	<u>\$ 1,985</u>	<u>\$ 2,348</u>

(20) Other Revenue

	<u>2024</u>	<u>2023</u>
Subsidy revenue	\$ 10,693	\$ 6,096
Miscellaneous revenue	<u>1,455</u>	<u>1,043</u>
Total	<u>\$ 12,148</u>	<u>\$ 7,139</u>

(21) Other Gains and Losses

	<u>2024</u>	<u>2023</u>
Net foreign currency exchange gains (losses)	\$ 4,226	(\$ 443)
Miscellaneous expenditure	(53)	(128)
	<u>\$ 4,173</u>	<u>(\$ 571)</u>

(22) Additional information on the nature of expenses:

	<u>2024</u>		
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Employee benefits expenses	\$ 108,412	\$ 298,194	\$ 406,606
Depreciation expenses (note)	15,021	42,063	57,084
Amortization expenses	515	1,089	1,604

	<u>2023</u>		
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Employee benefits expenses	\$ 103,607	\$ 283,023	\$ 386,630
Depreciation expenses (note)	13,100	43,458	56,558
Amortization expenses	552	746	1,298

Note: This includes depreciation expenses on right-of-use assets for the year ended December 31, 2024 and 2023, which are \$5,956 and \$5,987, respectively. The depreciation expenses for investment properties are \$440 and \$434, respectively.

(23) Employee benefits expenses

	<u>2024</u>		
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Salary expenses	\$ 88,014	\$ 248,245	\$ 336,259
Labor and health insurance	9,629	19,371	29,000
Pension	4,191	15,076	19,267
Other employee benefits	<u>6,578</u>	<u>15,502</u>	<u>22,080</u>
	<u>\$ 108,412</u>	<u>\$ 298,194</u>	<u>\$ 406,606</u>

	<u>2023</u>		
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Salary expenses	\$ 83,011	\$ 234,502	\$ 317,513
Labor and health insurance	9,915	19,772	29,687
Pension	3,919	13,841	17,760
Other employee benefits	<u>6,762</u>	<u>14,908</u>	<u>21,670</u>
	<u>\$ 103,607</u>	<u>\$ 283,023</u>	<u>\$ 386,630</u>

1. According to the Company's Articles of Incorporation, after deducting accumulated losses from the annual profit, if a balance remains, the Company should allocate 3%~12% for employee compensation and no more than 3% for directors' remuneration.
2. For the year ended December 31, 2024 and 2023, the estimated amounts of the employee compensation were \$16,155 and \$9,102, respectively. The estimated amounts of the directors' remuneration were \$3,231 and \$1,138, respectively. The aforementioned amounts were recorded under salary expense.

For the year ended December 31, 2024, the employee compensation is estimated at 10% and 2%, respectively, based on the profit situation up to that date.

The employee compensation and directors' remuneration for 2024, as approved by the Board of Directors, are consistent with the amounts recognized in the 2024 financial statements.

The employee compensation and directors' remuneration for 2023, as approved by the Board of Directors, are consistent with the amounts recognized in the 2023 financial statements.

Information on employee compensation and directors' remuneration approved by the Company's Board of Directors is available on the Market Observation Post System (MOPS).

(24) Income tax

1. Income tax expense

(1) The components of income tax expense:

	<u>2024</u>	<u>2023</u>
Current income tax:		
Income tax incurred in the current period	\$ 39,606	\$ 28,800
Additional income tax on undistributed surplus	500	2,718
Prior year's income tax overestimation	<u>(596)</u>	<u>(2,919)</u>
Total income tax for the current period	<u>39,510</u>	<u>28,599</u>
Deferred income tax:		
Origination and reversal of temporary differences	<u>(11,130)</u>	<u>(7,566)</u>
Total deferred income tax	<u>(11,130)</u>	<u>(7,566)</u>
Income Tax Expense	<u>\$ 28,380</u>	<u>\$ 21,033</u>

(2) Income tax related to other comprehensive income:

	<u>2024</u>	<u>2023</u>
Remeasurements of the defined benefit obligation	\$ 520	\$ 2,412
Changes in financial assets measured at fair value through other comprehensive income	(89)	394
Exchange differences of foreign operations	859	(478)

(3) Income tax amounts directly debited or credited to equity: None.

2. The relationship between income tax expense and accounting profit

	<u>2024</u>	<u>2023</u>
Income Tax Calculated at Statutory Rate (Note)	\$ 21,895	\$ 20,658
Income tax impact of adjustments in accordance with tax regulations	2,044	24
Deductible temporary differences for which no deferred tax assets were recognized	4,537	-
Changes in the assessment of realizability of deferred tax assets	-	552
Prior year's income tax overestimation	(596)	(2,919)
Additional income tax on undistributed surplus	<u>500</u>	<u>2,718</u>
Income Tax Expense	<u>\$ 28,380</u>	<u>\$ 21,033</u>

Note: The applicable tax rate is calculated based on the income tax rates applicable in the relevant countries.

3. The amount of each deferred tax asset or liability arising from the temporary difference is as follows:

	<u>2024</u>			
	<u>January 1</u>	<u>Recognized in profit or loss</u>	<u>Recognition in other comprehensive income</u>	<u>December 31</u>
Deferred income tax assets:				
- Temporary Differences:				
Inventory Impairment Loss	\$ 26,841	\$ 9,210	\$ -	\$ 36,051
Employee Benefits - Pension	6,947	(183)	(520)	6,244
Loss from investments accounted for using equity method	683	3,583	-	4,266
Foreign operation translation differences	2,435	-	(859)	1,576
Others	<u>6,472</u>	<u>(1,480)</u>	<u>-</u>	<u>4,992</u>
Total	<u>\$ 43,378</u>	<u>\$ 11,130</u>	<u>(\$ 1,379)</u>	<u>\$ 53,129</u>
Deferred income tax liabilities:				
- Temporary Differences:				
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	(\$ 1,214)	\$ -	\$ 89	(\$ 1,125)
Total	<u>(\$ 1,214)</u>	<u>\$ -</u>	<u>\$ 89</u>	<u>(\$ 1,125)</u>

2023				
	<u>January 1</u>	<u>Recognized in profit or loss</u>	<u>Recognition in other comprehensive income</u>	<u>December 31</u>
Deferred income tax assets:				
- Temporary Differences:				
Inventory Impairment Loss	\$ 19,265	\$ 7,576	\$ -	\$ 26,841
Employee Benefits - Pension	9,762	(404)	(2,411)	6,947
Loss from investments accounted for using equity method	-	683	-	683
Foreign operation translation differences	1,957	-	478	2,435
Others	<u>8,152</u>	<u>(1,680)</u>	<u>-</u>	<u>6,472</u>
Total	<u>\$ 39,136</u>	<u>\$ 6,175</u>	<u>(\$ 1,933)</u>	<u>\$ 43,378</u>
Deferred income tax liabilities:				
- Temporary Differences:				
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	(\$ 820)	\$ -	(\$ 394)	(\$ 1,214)
Gain from investments accounted for using equity method	<u>(1,391)</u>	<u>1,391</u>	<u>-</u>	<u>-</u>
Total	<u>(\$ 2,211)</u>	<u>\$ 1,391</u>	<u>(\$ 394)</u>	<u>(\$ 1,214)</u>

4. The effective periods of the Group's unused tax losses and the relevant amounts of unrecognized deferred income tax assets are as follows:

Mainland, China

December 31, 2024				
<u>Year</u>	<u>Reported/approved amount</u>	<u>Undeducted amount</u>	<u>Unrecognized deferred tax assets amount</u>	<u>Final deductible year</u>
2019	\$ 9,016	\$ 207	\$ 207	2024
2020	704	704	704	2025
2023	10,844	10,844	10,844	2028
2024	<u>18,146</u>	<u>18,146</u>	<u>18,146</u>	2029
	<u>\$ 38,710</u>	<u>\$ 29,901</u>	<u>\$ 29,901</u>	

December 31, 2023				
<u>Year</u>	<u>Reported/approved amount</u>	<u>Undeducted amount</u>	<u>Unrecognized deferred tax asset amount</u>	<u>Final deductible year</u>
2019	\$ 9,016	\$ 207	\$ 207	2024
2020	704	704	704	2025
2023	<u>11,464</u>	<u>11,464</u>	<u>11,464</u>	2028
	<u>\$ 21,184</u>	<u>\$ 12,375</u>	<u>\$ 12,375</u>	

5. The Company's profit-seeking enterprise income tax has been assessed and approved

(27) Changes in liabilities from financing activities

<u>2024</u>						
	<u>Short-Term</u> <u>Debts</u>	<u>Long-Term</u> <u>Debts</u>	<u>Lease</u> <u>liabilities</u>	<u>Dividends</u> <u>payable</u>	<u>Deposits</u> <u>received</u>	<u>Total liabilities</u> <u>from</u> <u>financing activities</u>
January 1	\$ 120,000	\$ 70,000	\$ 5,874	\$ -	\$ 641	\$ 196,515
Changes in cash flows from financing activities	(90,000)	(60,000)	(4,326)	(63,966)	(156)	(218,448)
The effects of changes in foreign exchange rates	-	-	202	-	-	202
Other non-cash changes	-	-	3,437	63,966	-	67,403
December 31	<u>\$ 30,000</u>	<u>\$ 10,000</u>	<u>\$ 5,187</u>	<u>\$ -</u>	<u>\$ 485</u>	<u>\$ 45,672</u>
<u>2023</u>						
	<u>Short-Term</u> <u>Debts</u>	<u>Long-Term</u> <u>Debts</u>	<u>Lease</u> <u>liabilities</u>	<u>Dividends</u> <u>payable</u>	<u>Deposits</u> <u>received</u>	<u>From financing</u> <u>activities</u> <u>Total Liabilities</u>
January 1	\$ 70,000	\$ 32,000	\$ 5,511	\$ -	\$ 653	\$ 108,164
Changes in cash flows from financing activities	50,000	38,000	(4,377)	(87,226)	(12)	(3,615)
The effects of changes in foreign exchange rates	-	-	(109)	-	-	(109)
Other non-cash changes	-	-	4,849	87,226	-	92,075
December 31	<u>\$ 120,000</u>	<u>\$ 70,000</u>	<u>\$ 5,874</u>	<u>\$ -</u>	<u>\$ 641</u>	<u>\$ 196,515</u>

7. Related party transactions

(1) Names and relationships of the related parties

<u>Name of the related party</u>	<u>Relationship with the Group</u>
Yeh,Nai-Ti	The Company's Chairman
Chen,Ruei-Yu	The spouse of the Company's Chairman (Note)
Hsiao,Po-Ling	The spouse of the Company's Vice President
Chen,Jui-Hsiang	The Company's Vice President
Chen,Ching-Hua	First degree relative of the Company's Vice President
Chairman, President, and Vice President	Key management of the Group

Note: Previously served as a director and president of the Company, and resigned in May 2024.

(2) Significant transactions with related parties

1. Rent Expenses

	<u>2024</u>	<u>2023</u>
Rent expenses		
Chen,Ruei-Yu	\$ 1,416	\$ 1,398
Yeh,Nai-Ti	1,458	1,448
Chen,Jui-Hsiang	695	686
Close family members of key management personnels	<u>1,363</u>	<u>1,345</u>
	<u>\$ 4,932</u>	<u>\$ 4,877</u>

(1) The aforementioned rent is the general rent paid for renting an office, determined with reference to the general market price and payable on a monthly basis.

(2) The Group leases dormitories in Korea from the Company's Chairman, Yeh, Nai-Ti, with a refundable deposit of US\$350,000, recorded under other non-current assets.

2. Operating Expenses

	<u>2024</u>	<u>2023</u>
Consulting expenses:		
Chen,Ruei-Yu	<u>\$ 320</u>	<u>\$ -</u>

Note: Previously served as a director and president of the Company, and resigned in May 2024 and was appointed as a consultant in September 2024.

(3) Compensation for the main management

	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 24,525	\$ 23,528
Post-employment benefits	<u>787</u>	<u>895</u>
Total	<u>\$ 25,312</u>	<u>\$ 24,423</u>

8. Assets pledged as security

Details of the Company's collateral or pledge provided are as follows:

<u>Name of assets</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>Purpose of collateral</u>
Land	\$ 125,500	\$ 125,500	Long-Term Debts
Buildings	176,372	161,095	Long-Term Debts

9. Significant Commitments and Contingencies

(1) Contingency

None.

(2) Commitment

On December 31, 2024 and 2023, the Company had performance guarantees totaling NT\$8,600 and NT\$11,600, respectively, provided to the Customs Administration of the Ministry of Finance and the Taiwan Small and Medium Enterprise Counseling Foundation, which were guaranteed by banks.

As of December 31, 2024 and 2023, the Company had outstanding unpaid amounts of \$8,421 and \$18,755, respectively, for equipment and plant construction under signed contracts.

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

12. Others

(1) Capital management

The Group's capital management objectives are to ensure the Group maintains an optimal capital structure to reduce the cost of capital and provide returns for shareholders. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. The Group monitors its capital using a debt-to-equity ratio, which is calculated by dividing total liabilities by total net value.

The Group's strategy for 2024 remains the same as 2023, aiming to maintain a reasonable and safe level for its debt-to-equity ratio. As of December 31, 2024 and 2023, the debt-to-equity ratio of the Group was as follows:

	<u>December 31, 2024</u>		<u>December 31, 2023</u>	
Total liabilities	\$	308,907	\$	403,958
Total net value		1,328,728		1,273,656
Debt to equity ratio		23%		32%

(2) Financial instruments

1. Category of financial instruments

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
Financial assets measured at fair value through other comprehensive income		
Equity instrument investments elected to be designated	\$ 8,105	\$ 16,307
Financial assets at amortized cost/loans and receivables		
Cash and Cash Equivalents	\$ 153,434	\$ 91,238
Notes receivable	5,366	5,287
Accounts receivable	130,904	91,101
Other Receivables	314	39
Refundable deposits	12,486	11,900
	<u>\$ 302,504</u>	<u>\$ 199,565</u>

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial liabilities</u>		
Financial liabilities at amortized cost		
Short-Term Debts	\$ 30,000	\$ 120,000
Accounts payable	80,661	37,899
Other Payables	108,476	88,164
Long-term loans (including portions maturing within one year or one operating cycle)	10,000	70,000
Deposits received	485	641
	<u>\$ 229,622</u>	<u>\$ 316,704</u>
Lease liabilities (including portions maturing within one year or one operating cycle)	<u>\$ 5,186</u>	<u>\$ 5,874</u>

2. Risk management policies

- (1) The Group's daily operations are affected by a variety of financial risks, including market risk (such as exchange rate risk, interest rate risk and price risk), credit risk, and liquidity risk.
- (2) Risk management is carried out by the Group's Finance Department in accordance with the policies approved by the Board of Directors. The Group's Finance Department is responsible for identifying, assessing and avoiding financial risks through close cooperation with operating units. The Board of Directors has established written principles for overall risk management and policies on specific areas and issues, such as exchange rate risk, interest rate risk, credit risk, the use of both derivative and non-derivative financial instruments, and the investment of residual current capital.

3. The nature and extent of significant financial risks

(1) Market risk

Exchange rate risk

- A. The Group operates internationally and is exposed to exchange rate risk arising from transactions in currencies other than the functional currency of the Company and its subsidiaries, primarily the USD and RMB. The exchange rate risk arises from future commercial trading and recognized assets and liabilities.
- B. The Group's management has set policies requiring companies within the Group to manage their exchange rate risk against their functional currencies. The companies shall hedge their overall exchange rate risk through the Group's Finance Department.
- C. The Group operates businesses involving certain non-functional currencies (with the functional currencies of the Company and certain subsidiaries being NTD, while the functional currencies of other subsidiaries being RMB), and is therefore affected by fluctuations in exchange rates. Information on foreign currency assets and liabilities significantly impacted by these fluctuations is as follows:

				<u>December 31, 2024</u>		
				<u>Foreign currency</u>	<u>Exchange rate</u>	Carrying
				<u>(NT\$ thousand)</u>		amounts
						<u>(NT\$)</u>
(Foreign currency: Functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD: NT\$	\$	1,017		32.79	\$	33,342
				<u>December 31, 2023</u>		
				<u>Foreign currency</u>	<u>Exchange rate</u>	Carrying
				<u>(NT\$ thousand)</u>		amounts
						<u>(NT\$)</u>
(Foreign currency: Functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD: NT\$	\$	1,332		30.71	\$	40,906

- D. An explanation of the significant unrealized foreign exchange gains or losses arising from exchange rate fluctuations on the monetary items of the Group is as follows:

		<u>2024</u>		
		<u>Foreign exchange net gain or loss</u>		
		<u>Foreign currency</u>		<u>Carrying</u>
		<u>(NT\$ thousand)</u>	<u>Exchange rate</u>	<u>amounts</u>
(Foreign currency: Functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD: NT\$	\$	-	32.79	\$ 395

		<u>2023</u>		
		<u>Foreign exchange net gain or loss</u>		
		<u>Foreign currency</u>		<u>Carrying</u>
		<u>(NT\$ thousand)</u>	<u>Exchange rate</u>	<u>amounts</u>
(Foreign currency: Functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD: NT\$	\$	-	30.71	(\$ 878)

- E. The analysis of the Group's foreign currency market risk arising from significant fluctuations in exchange rates is as follows:

		<u>2024</u>		
		<u>Sensitivity analysis</u>		
				<u>Impact on others</u>
		<u>Range in</u>	<u>Impact on profit or</u>	<u>Comprehensive</u>
		<u>change</u>	<u>loss</u>	<u>income</u>
(Foreign currency: Functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD: NT\$		1%	\$ 333	\$ -

		<u>2023</u>		
		<u>Sensitivity analysis</u>		
				<u>Impact on others</u>
		<u>Range in</u>	<u>Impact on profit or</u>	<u>Comprehensive</u>
		<u>change</u>	<u>loss</u>	<u>income</u>
(Foreign currency: Functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD: NT\$		1%	\$ 409	\$ -

Price risk

The Group's equity instruments exposed to price risk are financial assets measured at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- A. The Group's interest rate risk primarily arises from long-term and short-term debts issued at floating interest rates, exposing the Group to cash flow interest rate risk. In 2024 and 2023, the Group's borrowings issued at floating rates were primarily denominated in NTD.
- B. The Group's debts are measured at amortized cost, and the interest rates are repriced annually according to the contract terms, exposing the Group to the risk of future fluctuations in market interest rates.
- C. When the New Taiwan dollar borrowing rates increase or decrease by 1%, while all other factors remain unchanged, the net profit after tax for 2024 and 2023 will decrease or increase by \$320 and \$1,520, respectively, mainly due to the change in interest expenses caused by floating-rate borrowings.

(2) Credit risk

- A. The Group's credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The risk primarily arises from the inability of the counterparty to settle accounts receivable, notes receivable, and contractual cash flows from financial assets measured at amortized cost in accordance with the agreed payment terms.
- B. The Group has established credit risk management from a corporation perspective. For banks and financial institutions, only those with good credit ratings and no significant violations in recent times are accepted as trading partners. According to the Group's internal credit policies, each operating entity within the Group must manage and conduct credit risk analysis for new customers before establishing payment and delivery terms and conditions. Internal risk control is conducted by assessing the credit quality of customers, taking into account their financial position, past experience, and other relevant factors. Individual risk limits are set by the Board of Directors based on internal or external ratings, and the usage of credit facilities is regularly monitored.
- C. The Company applies the IFRS9 presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

- D. After the Group's recovery procedures, the amounts related to financial assets that cannot be reasonably expected to be recovered are written off. However, the Group will continue to engage in enforcement activity to safeguard its claim rights. The Group has written off overdue receivables that were still subject to ongoing recovery activities as of December 31, 2024 and 2023, amounting to \$0 and \$0, respectively.
- E. The Group's indicators for determining whether debt instrument investments are credit-impaired are as follows:
- (A) The issuer is experiencing significant financial difficulties or is increasingly likely to enter bankruptcy or other financial reorganization.
- (B) The disappearance of an active market for that financial asset due to the issuer's financial difficulties.
- (C) Failure of the issuer to pay interest or principal.
- (D) Adverse changes in national or regional economic conditions that lead to the issuer's default.
- F. The Group categorizes accounts receivable and notes receivable based on customer ratings and characteristics, using the simplified approach to estimate expected credit losses based on provisioning matrices.
- G. The Group considers forward-looking adjustments and estimates the loss allowance for accounts receivable and notes receivable based on the loss rates established by historical and current information for specific periods. The provisioning matrices as of December 31, 2024 and 2023, are as follows:

	<u>Not overdue</u>	<u>1-30 days</u>	<u>31-90 days</u>	<u>90-180 days</u>	<u>More than 181 days</u>	<u>Total</u>
<u>December 31, 2024</u>						
Expected loss rate	0.0001% ~1.5394%	0.0009% ~6.3342%	0.0779% ~9.9374%	0%	100%	
Total book value	\$ 134,355	\$ 1,702	\$ 241	\$ -	\$ 9	\$ 136,307
Allowance for losses	28	-	-	-	9	37
	<u>Not overdue</u>	<u>1-30 days</u>	<u>31-90 days</u>	<u>90-180 days</u>	<u>More than 181 days</u>	<u>Total</u>
<u>December 31, 2023</u>						
Expected loss rate	0.0007% ~0.4508%	0.0229% ~2.2007%	0.0001% ~1.25%	0%	0%	
Total book value	\$ 93,627	\$ 2,242	\$ 557	\$ -	\$ -	\$ 96,426
Allowance for losses	38	-	-	-	-	38

- H. The changes in the Group's allowance for accounts receivable using the simplified approach are as follows:

	<u>2024</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>
January 1	\$ 1	\$ 37
Impairment loss (reversal)	8	(9)
Effects of exchange rate	-	-
December 31	<u>\$ 9</u>	<u>\$ 28</u>

	<u>2023</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>
January 1	\$ 54	\$ 42
Impairment loss reversal	(53)	(5)
Effects of exchange rate	-	-
December 31	<u>\$ 1</u>	<u>\$ 37</u>

(3) Liquidity risk

- A. Cash flow forecasts are performed by the operating entities within the Group and then consolidated by the Group's Finance Department. The Group's finance department monitors forecasts of the Group's liquidity requirements to ensure there are sufficient funds to support operational needs and maintain adequate undrawn borrowing facilities at all times. This helped prevent breaches of relevant borrowing limits or terms. The forecasts consider the Group's debt financing plans, compliance with debt terms, adherence to financial ratio targets on the internal balance sheet, and external regulatory requirements, such as foreign exchange controls.
- B. Any excess cash held by the operating entities beyond what is needed for working capital management will be remitted to the Group's finance department. The Group's finance department will invest the remaining funds in interest-bearing demand deposits, time deposits, money market deposits, and securities. The instruments selected will have appropriate maturities or sufficient liquidity to meet the aforementioned forecasts and ensure adequate liquidity management.
- C. The following table categorizes the Group's non-derivative financial liabilities by their respective maturity dates. The non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contractual maturity date. The contractual cash flow amounts disclosed in the table below are undiscounted amounts.

Non-derivative financial liabilities:

December 31, 2024	<u>Less than 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 Years</u>
Short-Term Debts	\$ 30,000	\$ -	\$ -	\$ -
Accounts payable	80,661	-	-	-
Other Payables	108,476	-	-	-
Lease liabilities (due within 1 year)	3,088	2,098	-	-
Long-Term Debts	251	10,188	-	-

Non-derivative financial liabilities:

December 31, 2023	<u>Less than 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 Years</u>
Short-Term Debts	\$ 120,000	\$ -	\$ -	\$ -
Accounts payable	37,899	-	-	-
Other Payables	88,164	-	-	-
Lease liabilities (due within 1 year)	3,811	2,063	-	-
Long-Term Debts	70,000	-	-	-

(3) Fair value information

1. The definitions of the different levels of valuation techniques adopted for measuring fair value of financial and non-financial instruments are as follows:

Level 1: The quoted prices (unadjusted) in active markets for identical assets or liabilities to the entity at the measurement date. An active market refers to a market in which transactions of assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Observable inputs for assets or liabilities, either directly or indirectly, excluding quoted prices included in Level 1.

Level 3: Unobservable inputs for the assets or liabilities. The equity instruments invested by the Group that have no active market fall under this level.

2. Please refer to Note 6(8) for information on the fair value of investment properties measured at cost.
3. Financial instruments not measured at fair value

Include cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term loans, accounts payable, other payables, lease liabilities, long-term debts, and carrying amounts of deposits received are reasonable approximations of their fair values.

4. For financial instruments measured at fair value, the Group categorizes based on the nature, characteristics, and risks of the assets and liabilities, with relevant information provided as follows:

- (1) The Group categorizes assets and liabilities according to their nature, with the relevant information provided as follows:

December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets measured at fair value through other comprehensive income				
Equity securities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,105</u>	<u>\$ 8,105</u>
December 31, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets measured at fair value through other comprehensive income				
Equity securities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,307</u>	<u>\$ 16,307</u>

- (2) The methods and assumptions used by the Group to measure fair value are as follows:

- A. The Group's valuation assessment covers the total value of individual assets and individual liabilities, reflecting the overall value of the enterprise or business. It estimates the consideration required to reorganize or acquire the valuation target under the going concern premise.
- B. The outputs of the valuation models are estimated approximate values, and the valuation techniques may not reflect all relevant factors of the financial instruments and non-financial instruments held by the Group. Therefore, the estimated values of the valuation models will be appropriately adjusted based on additional parameters, such as model risk or liquidity risk.

5. There were no transfers between the level 1 and 2 for the year ended December 31, 2024 and 2023.
6. There were no level 3 transfers for the year ended December 31, 2024 and 2023.
7. The Group's valuation process for fair value categorized under Level 3 is managed by the management segment, which is responsible for independently verifying the fair value of financial instruments. This involves using independent source data to ensure that the valuation results align closely with market conditions. The process includes confirming that the data sources are independent, reliable, and consistent with other resources, as well as making any necessary adjustments in fair value to ensure that the valuation results are reasonable.

8. The quantitative information on significant unobservable inputs used in the valuation models for items measured at fair value categorized under Level 3, as well as sensitivity analysis of changes in these significant unobservable inputs, is provided as follows:

December 31, 2024				
<u>Fair value</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Interval (weighted average)</u>	<u>Relationship between unobservable inputs and fair value</u>
Non-derivative equity instruments:				
None-listed company stock	Net asset value method	N/A.	N/A.	The higher the net asset value, the higher the fair value
<u>\$ 8,105</u>				
December 31, 2023				
<u>Fair value</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Interval (Weighted average)</u>	<u>Inputs and fair value Fair value relationship</u>
Non-derivative equity instruments:				
None-listed company stock	Net asset value method	N/A.	N/A.	The higher the net asset value, the higher the fair value
<u>\$ 16,307</u>				

9. The Group has carefully assessed and selected the valuation model and parameters used, therefore ensuring that the fair value measurements are reasonable. However, using different valuation models or parameters may result in different valuation outcome.

13. Notes to the disclosures

(1) Information on significant transactions

1. Loans to others: None.
2. Endorsements or guarantees provided: None.
3. Securities held at the end of the period (excluding investments in subsidiaries, associates, and joint ventures): Please refer to Table 1.
4. Accumulative amount of purchases or sales of the same securities reaches NT\$300 million or exceeds 20% of the paid-in capital: None.
5. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
6. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
7. The amount of transactions with related parties reaches NT\$100 million or exceeds

20% of the paid-in capital: None.

8. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: None.
9. Trading in derivative instruments: None.
10. Significant intercompany businesses and significant transactions between the parent company, its subsidiaries, or among the subsidiaries: Please refer to Table 2.

(2) Information on investees

Details of investee companies names, locations, and other relevant information (excluding those in mainland China): Please refer to Table 3.

(3) Information on investment in mainland China

1. Basic information: Please refer to Table 4.
2. Significant transactions occurring directly or indirectly through third parties, with investee companies in mainland China: Please refer to Table 2.

(4) Details of major shareholders

For issuers whose stocks are listed and traded on securities exchanges, disclose the names, number of shares, and percentage of shareholders who own more than 5% of the issuer's shares: Please refer to Table 5.

14. Segment information

(1) General information

The Group's management has identified the reportable segment based on the information used by the chief operating decision maker to make strategic decisions. The Group operates its business from the perspective of individual entities. Currently, the Group focuses on sales and profitability of the Company's separate financial statements, and the separate financial statements of its subsidiaries, Shanghai Golden ICPDAS and ICP DAS (Wuhan). The primary revenue sources of the Group's operating segments are from the manufacturing and sale of industrial computer controllers and related products.

(2) Measurement of Segment Information

The Group's chief operating decision maker assesses the performance of the operating segments based on profit before tax. The measurement basis excludes the impact of non-recurring income and expenses from the operating departments. The accounting policies for the operating segments are the same as those described in Note 4 of the consolidated financial statements.

(3) Segment information

The reportable segment information provided to the chief operating decision-maker is as follows:

2024	The Company	Second-tier Subsidiary	Second-tier Subsidiary	Others	Adjustments (Note)	Total
		Shanghai Golden ICP DAS	ICP DAS (Wuhan)			
Revenue from external customers	\$ 961,860	\$ 102,578	\$ 503	\$ 5,850	\$ -	\$ 1,070,791
Revenue from internal customers	<u>56,550</u>	<u>-</u>	<u>12,878</u>	<u>-</u>	<u>(\$ 69,428)</u>	<u>-</u>
Segment revenue	<u>\$ 1,018,410</u>	<u>\$ 102,578</u>	<u>\$ 13,381</u>	<u>\$ 5,850</u>	<u>\$ (\$ 69,428)</u>	<u>\$ 1,070,791</u>
Segment gross margin	<u>\$ 566,678</u>	<u>\$ 35,306</u>	<u>\$ 1,463</u>	<u>\$ 40,179</u>	<u>\$ 1,592</u>	<u>\$ 564,860</u>
Segment profit or loss	<u>\$ 243,078</u>	<u>(\$ 13,134)</u>	<u>(\$ 5,013)</u>	<u>(\$ 110,918)</u>	<u>\$ 18,147</u>	<u>\$ 132,160</u>
Depreciation and amortization expenses	<u>(\$ 13,850)</u>	<u>(\$ 4,522)</u>	<u>(\$ 2,783)</u>	<u>(\$ 37,533)</u>	<u>\$ -</u>	<u>(\$ 58,688)</u>
Income Tax Expense	<u>(\$ 28,380)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 28,380)</u>
Segment assets	<u>\$ 1,627,804</u>	<u>\$ 61,687</u>	<u>\$ 63,977</u>	<u>\$ -</u>	<u>(\$ 115,833)</u>	<u>\$ 1,637,635</u>
2023	The Company	Second-tier Subsidiary	Second-tier Subsidiary	Others	Adjustments (Note)	Total
		Shanghai Golden ICP DAS	ICP DAS (Wuhan)			
Revenue from external customers	\$ 885,631	\$ 124,144	\$ 3,356	\$ 5,481	\$ -	\$ 1,018,612
Revenue from internal customers	<u>55,019</u>	<u>-</u>	<u>20,353</u>	<u>-</u>	<u>(\$ 75,372)</u>	<u>-</u>
Segment revenue	<u>\$ 940,650</u>	<u>\$ 124,144</u>	<u>\$ 23,709</u>	<u>\$ 5,481</u>	<u>(\$ 75,372)</u>	<u>\$ 1,018,612</u>
Segment gross margin	<u>\$ 507,206</u>	<u>\$ 40,737</u>	<u>\$ 2,631</u>	<u>(\$ 25,394)</u>	<u>\$ 7,709</u>	<u>\$ 532,889</u>
Segment profit or loss	<u>\$ 195,779</u>	<u>(\$ 7,816)</u>	<u>(\$ 3,830)</u>	<u>(\$ 92,744)</u>	<u>\$ 11,696</u>	<u>\$ 103,085</u>
Depreciation and amortization expenses	<u>(\$ 13,138)</u>	<u>(\$ 4,581)</u>	<u>(\$ 2,997)</u>	<u>(\$ 37,140)</u>	<u>\$ -</u>	<u>(\$ 57,856)</u>
Income Tax Expense	<u>(\$ 20,982)</u>	<u>(\$ 51)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 21,033)</u>
Segment assets	<u>\$ 1,664,710</u>	<u>\$ 78,676</u>	<u>\$ 68,737</u>	<u>\$ -</u>	<u>(\$ 134,509)</u>	<u>\$ 1,677,614</u>

Note: The segment information reported to the chief operating decision-maker has not yet eliminated inter-segment revenue, segment profit or loss, and segment assets.

(4) Reconciliation of information for segment profit or loss, assets and liabilities

Sales between segments are conducted in accordance with the principle of fair value transactions. The external revenue reported to the chief operating decision-maker is measured in a manner consistent with the revenue in the income statement. The profit and loss of the reportable segments reviewed by the chief operating decision maker are

consistent with those of the continuing operations of the enterprise. The segment assets match those reported in the individual financial statements, thereby no reconciliation is necessary.

(5) Product Information

The Group's revenue from external customers is primarily derived from the sale of industrial computer controllers and related products, with details as follows:

	<u>2024</u>	<u>2023</u>
Remote controllers and industrial computer interface cards	\$ 941,102	\$ 921,240
Others	<u>129,689</u>	<u>97,372</u>
	<u>\$ 1,070,791</u>	<u>\$ 1,018,612</u>

(6) Geographic Information

The Group's geographic information for 2024 and 2023 is as follows:

	<u>2024</u>		<u>2023</u>	
	<u>Revenue</u>	<u>Non-Current Assets</u>	<u>Revenue</u>	<u>Non-Current Assets</u>
Taiwan	\$ 500,850	\$ 712,544	\$ 374,869	\$ 731,290
Mainland, China	176,040	45,339	218,227	47,413
United States	67,529	-	82,178	-
Germany	46,987	-	57,360	-
United Arab Emirates	4,819	-	-	-
Others	<u>274,566</u>	<u>-</u>	<u>285,978</u>	<u>-</u>
	<u>\$ 1,070,791</u>	<u>\$ 757,883</u>	<u>\$ 1,018,612</u>	<u>\$ 778,703</u>

Note: Revenue is attributed to countries based on the customers' location.

(7) Major Customer Information

Details of the Group's customers which individually accounted for over 10% of the Group's revenues from sales for 2024 and 2023 as shown in the consolidated statement of profit or loss are as follows:

	<u>2024</u>	
	<u>Revenue</u>	<u>Segment</u>
<u>Customer</u>		
142800002A	\$ 221,691	The entire Company
<u>2023</u>		
<u>Customer</u>	<u>Revenue</u>	<u>Segment</u>
181400015	\$ 149,668	The entire Company
111000008E	121,091	The entire Company

ICP DAS CO., LTD. AND SUBSIDIARIES
**STATUS OF SECURITIES HELD AT PERIOD-END (EXCLUDING INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINTLY
CONTROLLED ENTITIES)**

December 31, 2024

Table 1

Unit: NT\$ thousand
(Unless otherwise specified)

<u>Company with securities</u> <u>holdings</u>	<u>Types and names of securities</u>	<u>Relationship with</u> <u>securities issuers</u>	<u>Account item</u>	<u>At the end of the period</u>			<u>Shareholding</u> <u>ratio</u>	<u>Fair value</u>	<u>Note</u>
				<u>Number of shares</u>	<u>Carrying amounts</u>				
The Company	ICP DAS USA INC	None	Financial assets measured at fair value through other comprehensive income	1,800	\$ 8,105	18	\$ 8,105	Unencumbered	

ICP DAS CO., LTD. AND SUBSIDIARIES
BUSINESS RELATIONSHIPS, SIGNIFICANT INTERCOMPANY TRANSACTIONS, AND THEIR AMOUNTS BETWEEN THE PARENT COMPANY, ITS SUBSIDIARIES, AND AMONG SUBSIDIARIES

January 1 to December 31, 2024

Table 2

Unit: NT\$ thousand
(Unless otherwise specified)

Transaction details

<u>No.(Note 1)</u>	<u>Name of transaction party</u>	<u>Transaction counterparty</u>	<u>Relationship with issuer (Note 2)</u>	<u>Account item</u>	<u>Amount (Note 5)</u>	<u>Transaction terms</u>	<u>Ratio of consolidated total operating revenues or total assets (Note 3)</u>
0	The Company	Shanghai Golden ICP DAS	1	Sales revenue	\$ 48,029	(Note 4)	4%
0	The Company	Shanghai Golden ICP DAS	1	Accounts receivable	2,737	(Note 4)	0%
0	The Company	ICP DAS (Wuhan)	1	Sales revenue	8,521	(Note 4)	1%
1	ICP DAS (Wuhan)	Shanghai Golden ICP DAS	3	Sales revenue	12,879	(Note 4)	1%

Note 1: The information on business dealings between the parent company and its subsidiaries should be noted separately in the number column. The numbering method is as follows:

(1) Fill in 0 for parent company.

(2) The subsidiaries shall be numbered sequentially starting from 1 using Arabic numerals, according to their respective companies.

Note 2: Relationship between transaction company and counterparties are classified into the following three categories:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Between subsidiaries.

Note 3: The calculation of transaction amounts as a percentage of consolidated total revenue or total assets is as follows: For asset or liability items, it is based on the ending balance as a percentage of consolidated total assets. For profit or loss items, it is based on the cumulative amount for the period as a percentage of consolidated total revenue.

Note 4: The sales price is based on the standard price for general customers but is slightly lower. The payment terms are 30 to 120 days, which is comparable to those for general customers.

Note 5: The significant business transactions and activities between the parent company, its subsidiaries, or among subsidiaries for the periods from January 1 to December 31, 2024, are disclosed based on a threshold of NT\$1 million.

ICP DAS CO., LTD. AND SUBSIDIARIES
RELEVANT INFORMATION INCLUDING NAME AND LOCATION OF THE COMPANY INVESTED (EXCLUDING THOSE IN MAINLAND CHINA)

December 31, 2024

Table 3

Unit: NT\$ thousand
(Unless otherwise specified)

<u>Name of investing company</u>	<u>Name of invested company</u>	<u>Location</u>	<u>Main business activities</u>	<u>Initial investment</u>		<u>Shareholding at the end of the period</u>			<u>Income for the current period of the invested entity</u>	<u>Investment profit or loss recognized in the current period</u>	<u>Note</u>
				<u>End of the current period</u>	<u>End of last year</u>	<u>Number of shares</u>	<u>Ratio</u>	<u>Carrying amounts</u>			
The Company	ADVANCE AHEAD LTD	British Virgin Islands	Reinvestment enterprises	\$ 33,161	\$ 33,161	1,000,000	100	\$ 39,831	(\$ 13,134)	(\$ 13,134)	Subsidiary
The Company	ICP DAS INVEST LTD	British Virgin Islands	Reinvestment enterprises	100,682	100,682	3,200	100	51,243	(5,012)	(4,782)	Subsidiary

ICP DAS CO., LTD. AND SUBSIDIARIES
INFORMATION ON INVESTMENT IN MAINLAND CHINA - BASIC INFORMATION

December 31, 2024

Table 4

Unit: NT\$ thousand
(Unless otherwise specified)

<u>Name of invested companies in</u>	<u>Mainland China</u>	<u>Main business activities</u>	<u>Paid-in capital</u>	<u>Method of investment</u>	<u>The cumulative amount of outward investment from Taiwan at the beginning of the current period</u>		<u>Amount of investment remitted or repatriated for the current period</u>		<u>The cumulative amount of outward investment from Taiwan at the end of the current period</u>		<u>Income for the current period of the invested entity</u>	<u>The ratio invested directly or indirectly by the Company</u>	<u>Investment profit or loss recognized for the current period (Note 3)</u>	<u>Period-end investment carrying amount</u>	<u>Investment income repatriated as of the end of the current period</u>	<u>Note</u>
					<u>(Note 1)</u>	<u>(Note 2)</u>	<u>current period</u>	<u>Remittance</u>	<u>Repatriation</u>	<u>current period</u>						
Shanghai Golden ICP DAS		International trade of industrial computer controllers and interface cards, entrepot trade, trade among bonded zone enterprises, and trade agencies.	\$ 33,161	2(ADVANCE AHEAD LTD)	\$ 33,161	\$ -	\$ -	\$ 33,161	(\$ 13,134)	100	(\$ 13,134)	\$ 39,831	\$ -			
ICP DAS (Wuhan) Co.,Ltd.		Research, development, production and sales of software, hardware, electronic products, instruments, meters and automatic equipment for the automatic control industry; automation engineering and project reconstruction; related technical services and transfers.	\$ 100,682	2(ICP DAS INVEST LTD)	\$ 100,682	\$ -	\$ -	\$ 100,682	(\$ 5,012)	100	(\$ 4,782)	\$ 51,243	\$ -			

<u>Name of company</u>	<u>Accumulated amount of remittance from Taiwan to mainland China as of the end of the current period (Note 4)</u>	<u>Approved investment amount by the Investment Commission of the Ministry of Economic Affairs (Note 5)</u>	<u>Investment limit for mainland China as stipulated by the Investment Commission of the Ministry of Economic Affairs.</u>
ICP DAS Co., Ltd.	\$ 133,843	\$ 137,697	\$ 797,237

Note 1: The original currencies of paid-in capital are as follows: Shanghai Golden ICP DAS International Trade Co.,Ltd.: US\$1,000,000, ICP DAS (Wuhan) Co.Ltd: US\$3,200,000

Note 2: The investment methods are categorized as the following three types, indicate the type accordingly:

- (1) Direct investment in mainland China
- (2) Reinvestment in mainland China through third-region companies
- (3) Other methods

Note 3: Financial statements audited by the accounting firm of the Parent Company in Taiwan.

Note 4: The original amount is US\$4,200,000; the amount in New Taiwan Dollars is calculated using the historical exchange rate.

Note 5: The original amount is US\$4,200,000; the amount in New Taiwan Dollars is calculated using the rate of balance sheets.

ICP DAS CO., LTD. AND SUBSIDIARIES
DETAILS OF MAJOR SHAREHOLDERS

December 31, 2024

Table 5

<u>Name of major shareholders</u>	<u>Shares</u>	
	<u>Number of shares held</u>	<u>Shareholding ratio</u>
Chen,Ruei-Yu	8,182,110	12.79%
Tin Hung Investment Co., Ltd.	7,716,140	12.06%
Top Grouping International Co., Ltd	5,140,796	8.03%
Yeh,Nai-Ti	5,074,874	7.93%

- Note: The Company obtained this table from the Taiwan Depository & Clearing Corporation.
- (1) The information of principal shareholders in this table is provided by the Taiwan Depository & Clearing Corporation. It calculates the shareholders holding 5% or more of the Company's issued and outstanding common and preferred shares (including treasury shares) as of the last business day of the quarter. As for the discrepancy between the capital stock recorded in the Company's financial statements and the number of shares issued and delivered without physical registration, it may be due to the different bases of calculation used in compiling these statements.
 - (2) If the above-mentioned data pertains to shareholders who have entrusted their shareholdings to a trust, it is disclosed in the separate sub-accounts of individual trustors within the trust account opened by the trustee. As for shareholders who report their insider shareholdings exceeding 10 percent in accordance with securities trading laws and regulations, Its shareholding includes personal shareholding plus shares of a trust over which it has the power to make decisions regarding the trust property, etc. For information on insider shareholding reports, please refer to the Market Observation Post System. For equity declaration, please refer to the Market Observation Post System.