

Stock Code: 3577

## **ICP DAS Co., Ltd.**

### **Individual 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.

Individual Financial Statement for the year Ended December 31, 2024 and 2023 and Independent

Auditors' Report

**§TABLE OF CONTENTS§**

<b>Items</b>	<b>Page</b>
I. Cover	1
II. Table Of Contents	2-3
III. Independent Auditors' Report	4-7
IV. Parent Company Only Balance Sheets	8-9
V. Individual Statements Of Comprehensive Income	10
VI. Parent Company Changes In Equity	11
VII. Individual Statement Of Cash Flows	12-13
VIII. Notes To The Financial Statements	14-56
1. Company History and Business Scope	14
2. Approval Dates and Procedures of the Financial Statements	14
3. Application of New and Amended Standards and Interpretations	14-15
4. Summary of Significant Accounting Policies	15-24
5. Significant accounting judgments, assumptions and primary sources of estimation uncertainty	24-25
6. Explanation of significant accounts	25-44
7. Related party transactions	44

Items	Page
8. Assets pledged as security	45
9. Significant Commitments and Contingencies	46
10. Losses due to major disasters	46
11. Significant subsequent events	46
12. Others	46-55
13. Notes to the disclosures	55-56
14. Segment information	56
IX. Statements of significant accounts	
Cash and Cash Equivalents	Statement 1
Accounts Receivable	Statement 2
Inventories	Statement 3
Investments Accounted for Using Equity Method	Statement 4
Accounts Payable	Statement 5
Operating Revenue	Statement 6
Operating Costs	Statement 7
Operating Expenses	Statement 8
Summary of Employee Benefits, Depreciation, Depletion and Amortization Expenses by Function for the Current Period	Statement 9

## Independent Auditors' Report

(2025)Financial Audit Report No. 24003897.

ICP DAS Co., Ltd.,

The individual balance sheets of ICP DAS Co., Ltd. as of December 31, 2024 and 2023, and the individual statements of comprehensive income, individual statements of changes in equity, individual statements of cash flows for the periods from January 1 to December 31, 2024 and 2023, as well as the notes to the individual financial statements (including a summary of significant accounting policies), have been audited by this accountant.

In the opinion of this accountant, the aforementioned individual financial statements have been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and fairly present the individual financial position of ICP DAS Co., Ltd. as of December 31, 2024 and 2023, as well as its individual financial performance and individual cash flows for the periods from January 1 to December 31, 2024 and 2023.

"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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. The personnel of our firm subject to independence requirements have maintained independence from Herngmen Technology 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 refer to those matters that, in our professional judgment, were of most significance in the audit of the 2024 the parent company only financial statements of ICP DAS Co., Ltd. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters for the 2024 the parent company only financial statements of Transcend Information, Inc. are 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(9), 5(2), and 6(3) of the individual financial statement. As of December 31, 2024, the balances of inventories and allowance for inventory valuation losses of ICP DAS Co., Ltd. were NT\$681,554 thousand and NT\$180,263 thousand respectively.

ICP DAS Co., Ltd. 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 Co., Ltd. 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 Co., Ltd. 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 Co., Ltd., 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.
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.

#### **Management's and Those Charged with Governance Responsibilities for the Individual Financial Statements**

The responsibilities of management are to prepare the parent company only financial statements that present fairly in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and to maintain such internal control as management determines is necessary to enable the preparation of the parent company only 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 Co., Ltd.'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 Co., Ltd. or to cease operations, or has no realistic alternative but to do so.

The governance entities (including the Audit Committee) of ICP DAS Co., Ltd. are responsible for overseeing the financial reporting process.

## **The Responsibilities of Auditors for the Audit of Financial Statements**

The purpose of our audit of the parent company only financial statements is to obtain reasonable assurance about whether the parent company only 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, however is not a guarantee that an audit conducted in accordance with the Republic of China Auditing Standards will always be able to detect material misstatements. Misstatements can arise from fraud or error. Materiality is considered to exist if an individual amount or aggregate of misstatements can reasonably be expected to influence the economic decisions made by users of the 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 individual financial statement 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 Co., Ltd. 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 Co., Ltd. ability to continue as a going concern. If the CPA concludes that a material uncertainty exists, it is required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause ICP DAS Co., Ltd. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements (including related notes), and whether the parent company only financial statements appropriately present the underlying transactions and events.
6. To obtain sufficient and appropriate audit evidence about the financial information of the entities or business activities within ICP DAS Co., Ltd. to express an opinion on the entity financial statements. The CPA is responsible for the direction, supervision and performance of the entity audit, and remain solely responsible for the audit opinion on the entity financial statements.

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 matters communicated with those charged with governance, we determine the key audit matters in the audit of the parent company only financial statements of ICP DAS Co., Ltd. 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

Approved by 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

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.**  
**PARENT COMPANY ONLY BALANCE SHEETS**

December 31, 2024 and 2023

Unit: NT\$ thousand

	Assets	Note	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
<b>Current Assets</b>						
1100	Cash and Cash Equivalents	6(1)	\$ 107,368	6	\$ 27,726	2
1150	Net Notes Receivable	6(2)	2,805	-	3,708	-
1170	Net Accounts Receivable	6(2)	126,823	8	84,152	5
1180	Net accounts receivable - related parties	6(2) and 7	2,737	-	7,381	1
130X	Inventories	6(3)	501,291	31	629,013	38
1410	Prepayments		10,060	1	7,120	-
11XX	<b>Total Current Assets</b>		<u>751,084</u>	<u>46</u>	<u>759,100</u>	<u>46</u>
<b>Non-Current Assets</b>						
1517	Financial assets measured at fair value through other comprehensive income - Non-current	6(4)	8,105	1	16,307	1
1550	Investments accounted for using equity method	6.(5).	91,074	6	103,331	6
1600	Property, Plant, and Equipment	6(6) and 8	707,254	43	724,408	43
1780	Intangible assets		2,499	-	3,403	-
1840	Deferred Tax Assets	6(22)	53,129	3	43,378	3
1900	Other Non-Current Assets	6(8) and 7	14,659	1	14,783	1
15XX	<b>Total Non-Current Assets</b>		<u>876,720</u>	<u>54</u>	<u>905,610</u>	<u>54</u>
1XXX	<b>Total Assets</b>		<u>\$ 1,627,804</u>	<u>100</u>	<u>\$ 1,664,710</u>	<u>100</u>

(Continued on next page)

**ICP DAS CO., LTD.**  
**PARENT COMPANY ONLY BALANCE SHEETS**

December 31, 2024 and 2023

Unit: NT\$ thousand

	Liabilities and Equity	Note	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
	<b>Current Liabilities</b>					
2100	Short-Term Debts	6(9).	\$ 30,000	2	\$ 120,000	7
2130	Contract liability - Current	6(17)	11,422	1	6,686	-
2170	Accounts payable		80,661	5	37,217	2
2200	Other Payables	6(10)	104,494	6	83,007	5
2230	Current Tax Liabilities	6(22)	25,027	2	31,435	2
2399	Other current liabilities - others		7,756	-	9,387	1
21XX	<b>Total current liabilities</b>		<u>259,360</u>	<u>16</u>	<u>287,732</u>	<u>17</u>
	<b>Non-current liabilities</b>					
2540	Long-Term Debts	6(11)	10,000	-	70,000	4
2570	Deferred income tax liabilities	6(22)	1,125	-	1,214	-
2640	Net defined benefit liability – Non-current	6(12)	<u>28,591</u>	<u>2</u>	<u>32,108</u>	<u>2</u>
25XX	<b>Total non-current liabilities</b>		<u>39,716</u>	<u>2</u>	<u>103,322</u>	<u>6</u>
2XXX	<b>Total liabilities</b>		<u>299,076</u>	<u>18</u>	<u>391,054</u>	<u>23</u>
	<b>Equity</b>					
	Share capital	6(13)				
3110	Capital - common stock		639,657	40	639,657	39
	Capital surplus	6(14)				
3200	Capital surplus		68,630	4	68,630	4
	Retained earnings	6(15)				
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(16)				
3400	Other equity interest		(1,803)	-	(4,882)	-
3XXX	<b>Total Equity</b>		<u>1,328,728</u>	<u>82</u>	<u>1,273,656</u>	<u>77</u>
	Significant Commitments and Contingencies	9(2)				
3X2X	<b>Total Liabilities and Equity</b>		<u>\$ 1,627,804</u>	<u>100</u>	<u>\$ 1,664,710</u>	<u>100</u>

The notes to the parent company only financial statements are an integral part of these individual financial reports. Please refer to them together.

Chairman: Yeh, Nai-Ti

Manager: Cheng, Shu-Fa

Accounting Manager: Cheng, Pi-Yu

ICP DAS CO., LTD.  
INDIVIDUAL STATEMENTS 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(17) And 7	\$ 1,024,260	100	\$ 946,131	100
5000 Operating costs	6(3)(22)(21)	( 497,761)	( 49)	( 464,319)	( 49)
5900 Gross profit		526,499	51	481,812	51
5910 Unrealized Profit on Sales		( 18,255)	( 2)	( 19,618)	( 2)
5920 Realized Profit on Sales		19,618	2	26,879	3
5950 Net operating gross profit		527,862	51	489,073	52
Operating expenses	6(20)(21) and 7				
6100 Selling expenses		( 87,743)	( 8)	( 87,490)	( 9)
6200 Administrative expenses		( 89,151)	( 9)	( 87,206)	( 9)
6300 Research and development expenses		( 213,954)	( 21)	( 203,404)	( 22)
6450 Expected credit impairment gains		1	-	58	-
6000 Total operating expenses		( 390,847)	( 38)	( 378,042)	( 40)
6900 Operating income		137,015	13	111,031	12
Non-operating revenue and expenses					
7100 Interest revenue		531	-	417	-
7010 Other Revenue	6(18) and 7	11,385	1	5,884	1
7020 Other Gains and Losses	6(19)	4,476	1	( 182)	-
7050 Financial Costs		( 3,331)	-	( 3,748)	( 1)
7070 Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method	6.(5).	( 17,916)	( 2)	( 10,368)	( 1)
7000 Total Non-Operating Revenue and Expenses		( 4,855)	-	( 7,997)	( 1)
7900 Net Profit Before Tax		132,160	13	103,034	11
7950 Income Tax Expense	6(22)	( 28,380)	( 3)	( 20,982)	( 2)
8200 Net Profit for the Period		\$ 103,780	10	\$ 82,052	9
<b>Other comprehensive income (net)</b>					
<b>Items that will not be reclassified to profit or loss</b>					
8311 Remeasurements of defined benefit plan	6(12)	\$ 2,080	-	\$ 9,644	1
8316 Unrealized gains or losses on equity instrument investments measured at fair value through other comprehensive income	6(16)	9,741	1	1,579	-
8310 Total of items that will not be reclassified to profit or loss		11,821	1	11,223	1
<b>Items that may be reclassified subsequently to profit or loss</b>					
8380 Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method	6(16)	3,437	1	( 1,912)	-
8360 Total items that may be reclassified subsequently to profit or loss		3,437	1	( 1,912)	-
8300 Other comprehensive income (net)		\$ 15,258	2	\$ 9,311	1
8500 Total comprehensive income for the current period		\$ 119,038	12	\$ 91,363	10
Basic earnings per share					
9750 Total basic Earnings per Share	6.(23)	\$ 1.62		\$ 1.28	
Diluted earnings per share					
9850 Total diluted deficit per share	6.(23)	\$ 1.62		\$ 1.28	

The notes to the parent company only financial statements are an integral part of these individual financial reports.  
Please refer to them together.

Chairman: Yeh, Nai-Ti

Manager: Cheng, Shu-Fa

Accounting manager: Cheng, Pi Yu

**ICP DAS CO., LTD.**  
**PARENT COMPANY CHANGES IN EQUITY**

For the year ended December 31, 2024 and 2023

Unit: NT\$ thousand

	Note	Capital - common stock	Capital surplus- Issue premium	Retained earnings			Other equity interest		Total Equity
				Legal surplus reserve	Special surplus reserve	Undistributed surplus	Overseas Operating Entities translation of the financial statements Exchange difference	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 for the Year 2023		-	-	-	-	82,052	-	-	82,052
Other comprehensive income in 2023	6(4).(16)	-	-	-	-	9,644	( 1,912)	1,579	9,311
Total comprehensive income in 2023		-	-	-	-	91,696	( 1,912)	1,579	91,363
Appropriation and distribution of earnings	6(15)	-	-	-	-	-	-	-	-
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 for the Year 2024		-	-	-	-	103,780	-	-	103,780
Other comprehensive income in 2024	6(4).(16)	-	-	-	-	2,080	3,437	9,741	15,258
Total comprehensive income in 2024		-	-	-	-	105,860	3,437	9,741	119,038
Appropriation and distribution of earnings	6(15)	-	-	-	-	-	-	-	-
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).(16)	-	-	-	-	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 notes to the parent company only financial statements are an integral part of these individual financial reports. Please refer to them together.

Chairman: Yeh, Nai-Ti

Manager: Cheng, Shu-Fa

Accounting manager: Cheng, Pi-Yu

ICP DAS CO., LTD.  
**INDIVIDUAL 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>
<u>Cash flows from operating activities</u>			
Current net profit before tax		\$ 132,160	\$ 103,034
Adjustment items			
Income and expense items			
Expected credit impairment gains	12(2)	( 1 )	( 58 )
Depreciation expense	6(20)	49,779	48,981
Various amortization	6(20)	1,604	1,298
Share of profit or loss of subsidiaries accounted for using the equity method		17,916	10,368
Unrealized Gross Profit on Sales		( 1,363 )	( 7,261 )
Interest revenue		( 531 )	( 417 )
Interest expense		3,331	3,748
Changes in assets/liabilities relating to operating activities			
Net movement in assets relating to operating activities			
Notes receivable		912	488
Accounts receivable		( 42,678 )	( 6,392 )
Accounts receivable - related parties		4,644	2,135
Inventories		127,722	( 7,440 )
Prepayments		( 2,940 )	2,865
Net movement in liabilities relating to operating activities			
Contract liability-Current		4,736	( 1,063 )
Accounts payable		43,444	( 37,048 )
Other Payables		15,252	( 33,532 )
Other current liabilities		( 1,631 )	6,581
Net defined benefit liability - Non- current		( 917 )	( 2,019 )
Cash inflow from operations		351,439	84,268
Interest charged		531	417
Interest paid		( 3,331 )	( 3,748 )
Income tax paid		( 45,918 )	( 41,605 )
Net cash inflows from operating activities		<u>302,721</u>	<u>39,332</u>

(Continued on next page)

ICP DAS CO., LTD.  
**INDIVIDUAL STATEMENT OF CASH FLOWS**

For the year ended December 31, 2024 and 2023

Unit: NT\$ thousand

	Note	For the year ended December 31, 2024	For the year ended December 31, 2023
<u>Cash flows from investing activities</u>			
Disposal of financial assets at fair value through other comprehensive income		\$ 17,853	\$ -
Acquisition of property, plant and equipment	6(24)	( 26,366 )	( 31,624 )
Acquisition of intangible assets		( 700 )	( 816 )
Decrease (increase) in refundable deposits		( 565 )	294
Decrease (increase) in other non-current assets		665	( 13,717 )
Net cash outflow from investing activities		( 9,113 )	( 45,863 )
<u>Cash flows from financing activities</u>			
Raise short-term debt		200,000	680,000
Repayment of short-term debt		( 290,000 )	( 630,000 )
Borrowing of long-term loans		-	100,000
Repayment of long-term loans		( 60,000 )	( 62,000 )
Distribute cash dividends	6(25)	( 63,966 )	( 87,226 )
Net cash (outflow) inflow from financing activities		( 213,966 )	774
Increase (decrease) in cash and cash equivalents for the current period		79,642	( 5,757 )
Beginning balance of cash and cash equivalents		27,726	33,483
Ending balance of cash and cash equivalents		\$ 107,368	\$ 27,726

The notes to the parent company only financial statements are an integral part of these individual financial reports.  
Please refer to them together.

Chairman: Yeh, Nai-Ti

Manager: Cheng, Shu-Fa

Accounting manager: : Cheng, Pi Yu

ICP DAS CO., LTD.  
**NOTES TO THE 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's main business activities are the production and sales 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 Company assessed that the above mentioned criteria and interpretations had no material impact on the Company's 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 principal accounting policies applied in the preparation of these the parent company only financial statements are set out below. Unless otherwise stated, these policies have been applied to all the reporting periods.

(1) Statement of Compliance

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

## (2) Basis of Preparation

1. Except for the following significant items, the parent company only financial statements have been prepared on the historical cost basis:
  - (1) Financial assets and liabilities 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 the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC) and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) requires the use of certain critical accounting estimates and the use of management's judgment in the process of applying the Corporation's accounting policies. For items involving a high degree of judgment or complexity, or involving significant assumptions and estimates in the financial statements, please refer to Note 5 for details.

## (3) Foreign Currency Translation

These parent company only financial statements are presented in New Taiwan Dollars, which is the Company's functional 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 and affiliates of the Company whose functional currency is different from the presentation currency, the operating results and financial position are converted into the presentation currency in the following manner:

- (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.
- (4) 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 company 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 Company classifies all liabilities not meeting the above conditions as non-current.

(5) 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 Company adopts trade date accounting for regular-way financial assets measured at fair value through other comprehensive income.
3. At initial recognition, the Company measures it at 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 is not subsequently reclassified to profit or loss but is transferred to retained earnings. When the right to receive dividends is established, it is probable that the economic benefits associated with the dividends will flow to the Company, and the amount of the dividends can be measured reliably, the Company recognizes dividend income in profit or loss.

(6) 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.

(7) Financial Asset Impairment

At each balance sheet date, the Company 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.

(8) Derecognition of Financial Assets

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

(9) 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. The comparison of costs and net realizable values is made on an item-by-item basis, with the net realizable value being the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(10) Investments Accounted for Using the Equity Method - Subsidiaries and Affiliates

1. Subsidiary means an entity (including structured entity) that is controlled by the Corporation when the Corporation is exposed to or entitled to variable remuneration arising from participation in such entity and is able to influence such remuneration through its power over such entity.
2. All unrealized gains or losses arising from transactions between the Corporation and its subsidiaries have been written off. The accounting policies of the subsidiaries have been adjusted as necessary to be consistent with those adopted by the Corporation.
3. The Corporation recognizes the share of profit and loss of the subsidiaries after acquisition as current profit and loss, and recognizes the share of other comprehensive income as other comprehensive income. When the shares of losses of a subsidiary recognized by the Corporation equal or exceed its equity in that subsidiary, the Corporation continues recognizing its losses in proportion to its holdings.
4. According to the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the current profit and loss and other comprehensive income of the Parent Company Only Financial Statements shall be the same as the apportionment of the current profit and loss and other comprehensive income attributable to the owners of the parent company in the financial statements prepared on a consolidated basis, and the owner's equity of the Parent Company Only Financial Statements shall be the same as the equity attributable to the owners of the parent company in the financial statements prepared on a consolidated basis.

(11) 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 Corporation 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 Company 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 6 years
Mold equipment	2 years
Transportation equipment	5 years
Office equipment	3 to 5 years
Other equipment	3 to 10 years

#### (12) 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.

#### (13) 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 2 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.

#### (14) Impairment of non-financial assets

The Company 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 to sell 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.

#### (15) Debt

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

(16) 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. Short-term accounts payable and notes that do not bear interest are measured by the Group at the original invoice amount as the effect of discounting is insignificant.

(17) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire.

(18) 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

Employee benefits and remuneration to directors and supervisors are recognized as expenses and liabilities when the company has a legal or constructive obligation, and the amounts 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.

- (19) 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 current income tax based on the tax rates enacted or substantively enacted on the balance sheet date in the countries in which it operates and generates its 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. For temporary differences associated with investments in subsidiaries, the Company does not recognize them if it can control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. 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.

(20) 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.

(21) 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.

(22) Revenue recognition

The Company manufactures and sells industrial computer hardware, software and related peripheral products. Revenue from sales is recognized when control of the products is transferred to the customer, which is when the products are delivered to the customer, the customer has discretion over the channel and price for sales of the products, and the Company has no unsatisfied performance obligations that could affect the customer's acceptance of the products. 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.

(23) 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. Where the government grant is of a revenue nature and is intended to compensate expenses incurred by the Company, the grant is recognized as income on a systematic basis over the periods in which the related costs are recognized as expenses.

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

In preparing these the parent company only financial statements of the Group, management has used its judgment in determining the accounting policies adopted and has made accounting estimates and assumptions regarding 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 stated at the lower of cost or net realizable value, the Company must exercise judgment and make estimates to determine the net realizable value of inventories on the balance sheet date. Due to technology's rapid changes, the Company assesses the amount of normal waste, obsolescence, or lack of marketable price of inventories on the balance sheet date and writes down the cost of inventories 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 Company's inventories was NT\$501,291.

## 6. Explanation of significant accounts

### (1) Cash

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand and working capital	\$ 468	\$ 469
Checking accounts and demand deposits	<u>106,900</u>	<u>27,257</u>
Total	<u>\$ 107,368</u>	<u>\$ 27,726</u>

1. The financial institutions with which our company has transactions maintain good credit quality, and our company transacts with multiple financial institutions to diversify credit risk, so the probability of default is expected to be extremely low.
2. The Company 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	\$ 2,834	\$ 3,745
Less: Allowance for losses	<u>( 29)</u>	<u>( 37)</u>
	<u>\$ 2,805</u>	<u>\$ 3,708</u>
Accounts receivable - non-related parties	\$ 126,832	\$ 84,154
Less: Allowance for losses	<u>( 9)</u>	<u>( 2)</u>
	<u>126,823</u>	<u>84,152</u>
Accounts receivable - related parties	<u>2,737</u>	<u>7,381</u>
	<u>\$ 129,560</u>	<u>\$ 91,533</u>

1. 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	\$ 128,793	\$ 2,834	\$ 90,070	\$ 3,745
1-30 days	757	-	1,438	-
31-90 days	10	-	27	-
91-180 days	-	-	-	-
More than 181 days	<u>9</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 129,569</u>	<u>\$ 2,834</u>	<u>\$ 91,535</u>	<u>\$ 3,745</u>

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

2. 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 \$91,511.
3. The Company has not pledged notes receivable or accounts receivable as collateral.
4. The maximum exposure to credit risk for the Company's notes receivable as of December 31, 2024 and 2023 was \$2,805 and \$3,708, respectively. The maximum exposure to credit risk for the Company's accounts receivable as of December 31, 2024 and 2023, was \$129,560 and \$91,533 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	\$ 354,963	(\$ 131,451)	\$ 223,512
Work in progress	152,759	( 18,075)	134,684
Finished good	<u>173,832</u>	<u>( 30,737)</u>	<u>143,095</u>
Total	<u>\$ 681,554</u>	<u>(\$ 180,263)</u>	<u>\$ 501,291</u>

	December 31, 2023		
	Cost	Allowance for impairment losses	Carrying amounts
Raw materials	\$ 451,936	(\$ 95,471)	\$ 356,465
Work in progress	134,202	( 17,789)	116,413
Finished good	<u>177,085</u>	<u>( 20,950)</u>	<u>156,135</u>
Total	<u>\$ 763,223</u>	<u>(\$ 134,210)</u>	<u>\$ 629,013</u>

Costs related to inventories recognized in the current period:

	2024	2023
Cost of inventories sold	\$ 418,557	\$ 400,532
Inventory loss from price decline	46,053	37,882
Inventory shortage (surplus)	2	( 33)
Others	<u>33,149</u>	<u>25,938</u>
	<u>\$ 497,761</u>	<u>\$ 464,319</u>

(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	<u>5,624</u>	<u>6,071</u>
Total	<u>\$ 8,105</u>	<u>\$ 16,307</u>

1. The Company 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 Company, 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	\$ <u>9,741</u>	\$ <u>1,579</u>
Accumulated gain or loss transferred to retained earnings due to derecognition	(\$ <u>10,099</u> )	\$ <u>-</u>

4. The Company does not have any fair value through other comprehensive income financial assets pledged as collateral.
5. For information on credit risk related to financial assets measured at fair value through other comprehensive income, please refer to Note 12.(3).

(5) Investments accounted for using equity method

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
ADVANCEAHEADLTD.	\$ 39,831	\$ 49,214
ICPDASINVESTLTD.	<u>51,243</u>	<u>54,117</u>
	<u>\$ 91,074</u>	<u>\$ 103,331</u>

For information regarding the subsidiaries of the Company, please refer to Note 4.(3) to the Company's 2024 consolidated financial statements.

(6) 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>construction in progress</u>	<u>Total</u>
January 1									
Cost	\$ 341,780	\$ 448,692	\$ 102,071	\$ 1,019	\$ 7,948	\$ 2,569	\$ 23,123	\$ 29,731	\$ 956,933
Accumulated depreciation and impairment	-	( 182,494)	( 35,676)	( 724)	( 2,339)	( 1,452)	( 9,840)	-	( 232,525)
	<u>\$ 341,780</u>	<u>\$ 266,198</u>	<u>\$ 66,395</u>	<u>\$ 295</u>	<u>\$ 5,609</u>	<u>\$ 1,117</u>	<u>\$ 13,283</u>	<u>\$ 29,731</u>	<u>\$ 724,408</u>
January 1	\$ 341,780	\$ 266,198	\$ 66,395	\$ 295	\$ 5,609	\$ 1,117	\$ 13,283	\$ 29,731	\$ 724,408
Addition	-	17,270	7,744	1,180	2,355	-	3,362	690	32,601
Disposal									
Cost	-	-	( 164)	( 1,019)	( 693)	( 1,477)	( 2,111)	-	( 5,464)
accumulated depreciation	-	-	164	1,019	693	1,477	2,111	-	5,464
Reclassification (Note)	-	28,741	95	29	-	-	890	( 29,731)	24
Depreciation expense	-	( 25,600)	( 17,443)	( 739)	( 1,506)	( 435)	( 4,056)	-	( 49,779)
December 31	<u>\$ 341,780</u>	<u>\$ 286,609</u>	<u>\$ 56,791</u>	<u>\$ 765</u>	<u>\$ 6,458</u>	<u>\$ 682</u>	<u>\$ 13,479</u>	<u>\$ 690</u>	<u>\$ 707,254</u>
December 31									
Cost	\$ 341,780	\$ 494,704	\$ 109,745	\$ 1,209	\$ 9,610	\$ 1,091	\$ 25,265	\$ 690	\$ 984,094
Accumulated depreciation and impairment	-	( 208,095)	( 52,954)	( 444)	( 3,152)	( 409)	( 11,786)	-	( 276,840)
	<u>\$ 341,780</u>	<u>\$ 286,609</u>	<u>\$ 56,791</u>	<u>\$ 765</u>	<u>\$ 6,458</u>	<u>\$ 682</u>	<u>\$ 13,479</u>	<u>\$ 690</u>	<u>\$ 707,254</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>construction in progress</u>	<u>Total</u>
January 1									
Cost	\$ 324,536	\$ 430,604	\$ 66,671	\$ 1,581	\$ 9,393	\$ 2,330	\$ 23,762	\$ 59,356	\$ 918,233
Accumulated depreciation and impairment	<u>-</u>	<u>( 156,016)</u>	<u>( 22,413)</u>	<u>( 638)</u>	<u>( 3,210)</u>	<u>( 1,240)</u>	<u>( 9,863)</u>	<u>-</u>	<u>( 193,380)</u>
	<u>\$ 324,536</u>	<u>\$ 274,588</u>	<u>\$ 44,258</u>	<u>\$ 943</u>	<u>\$ 6,183</u>	<u>\$ 1,090</u>	<u>\$ 13,899</u>	<u>\$ 59,356</u>	<u>\$ 724,853</u>
January 1	\$ 324,536	\$ 274,588	\$ 44,258	\$ 943	\$ 6,183	\$ 1,090	\$ 13,899	\$ 59,356	\$ 724,853
Addition	-	2,171	20,299	-	1,196	478	3,531	3,555	31,230
Disposal									
Cost	-	-	( 2,012)	( 562)	( 2,641)	( 451)	( 4,170)	-	( 9,836)
accumulated depreciation	-	-	2,012	562	2,641	451	4,170	-	9,836
Reclassification (Note)	17,244	15,917	17,113	-	-	212	-	( 33,180)	17,306
Depreciation expense	<u>-</u>	<u>( 26,478)</u>	<u>( 15,275)</u>	<u>( 648)</u>	<u>( 1,770)</u>	<u>( 663)</u>	<u>( 4,147)</u>	<u>-</u>	<u>( 48,981)</u>
December 31	<u>\$ 341,780</u>	<u>\$ 266,198</u>	<u>\$ 66,395</u>	<u>\$ 295</u>	<u>\$ 5,609</u>	<u>\$ 1,117</u>	<u>\$ 13,283</u>	<u>\$ 29,731</u>	<u>\$ 724,408</u>
December 31									
Cost	\$ 341,780	\$ 448,692	\$ 102,071	\$ 1,019	\$ 7,948	\$ 2,569	\$ 23,123	\$ 29,731	\$ 956,933
Accumulated depreciation and impairment	<u>-</u>	<u>( 182,494)</u>	<u>( 35,676)</u>	<u>( 724)</u>	<u>( 2,339)</u>	<u>( 1,452)</u>	<u>( 9,840)</u>	<u>-</u>	<u>( 232,525)</u>
	<u>\$ 341,780</u>	<u>\$ 266,198</u>	<u>\$ 66,395</u>	<u>\$ 295</u>	<u>\$ 5,609</u>	<u>\$ 1,117</u>	<u>\$ 13,283</u>	<u>\$ 29,731</u>	<u>\$ 724,408</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 major components of the Company's buildings and construction include buildings 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.

(7) Lease Transactions- Lessee

1. The lease term for the office premises and parking spaces leased by the Company does not exceed 12 months, and the leases of low-value assets such as water dispensers and office equipment are also accounted for.
2. Information on profit or loss items related to lease agreements is as follows:

	<u>2024</u>	<u>2023</u>
<u>Items affecting current profit or loss</u>		
Expense attributable to short-term leases	\$ 2,030	\$ 2,010
The expense of leases of low-value assets	690	746

3. The Company's total lease cash outflows in 2024 and 2023 were \$2,720 and \$2,756, respectively.

(8) Other Non-Current Assets

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Refundable deposits	\$ 11,869	\$ 11,304
Others	<u>2,790</u>	<u>3,479</u>
	<u>\$ 14,659</u>	<u>\$ 14,783</u>

(9) 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.

(10) Other Payables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Wages and salaries payable	\$ 47,412	\$ 41,833
Compensation payable to directors, supervisors, and employees	19,386	10,240
Payables on equipment	8,595	2,360
Others	<u>29,101</u>	<u>28,574</u>
	<u>\$ 104,494</u>	<u>\$ 83,007</u>

(11) 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)	\$ <u>10,000</u>

<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	\$ <u>70,000</u>

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.

(12) Pension

1. (1) The Company has established a defined benefit plan under the Labor Standards Law, 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 Law 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)	113	( 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	312	( 312)	-
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)	1,014	-	1,014
	<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	840	-	840
	<u>11,924</u>	<u>131</u>	<u>12,055</u>
Pension contribution fund	-	1,618	1,618
Benefits paid	12,064	( 12,064)	-
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	1.65%	1.25%
Future salary increase rate	2.00%	2.00%

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	(\$ 917)	\$ 951	\$ 944	(\$ 917)
	<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, 2023				
Impacts on present value of defined benefit obligation	(\$ 1,001)	\$ 1,039	\$ 1,029	(\$ 996)

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 Company estimates the contribution to be paid to the retirement plan in 2025 to be \$1,335.
- (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) The Company recognized pension costs for the year ended December 31, 2024 and 2023 were \$14,770 and \$14,481, respectively, in accordance with the aforementioned pension plan.

### (13) 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.

#### (14) 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.

#### (15) 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. With regard to the business operations of the Company, as the Company's business is currently in the growth stage, the dividend distribution policy shall take into account the current and future operational plans, investment projects, capital budgets, changes in internal and external environments, as well as the interests of shareholders and the balance of dividends. Each year, the Board of Directors shall 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 be 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. At the shareholders' meeting on June 9, 2023, the Company approved the distribution of earnings for 2022, which included cash dividends of \$87,226 (NT\$1.5 per share) and stock dividends of \$58,151 (NT\$1.0 per share) for common shares.
5. At the shareholders' meeting on June 13, 2024, the Company approved the distribution of cash dividends of \$63,966 (NT\$1.0 per share) for common shares from the earnings of 2023.

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.

(16) 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:			
- Associated enterprise	-	4,296	4,296
- Associates' tax	-	( 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:			
- Associated enterprise	-	( 2,390)	( 2,390)
- Associates' tax	-	478	478
December 31, 2023	<u>\$ 4,857</u>	<u>(\$ 9,739)</u>	<u>(\$ 4,882)</u>

(17) Operating revenue

	<u>2024</u>	<u>2023</u>
Revenue from contracts with customers	<u>\$ 1,024,260</u>	<u>\$ 946,131</u>

1. Breakdown of revenue contracts with customers

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

	<u>2024</u>	<u>2023</u>
Remote controllers, industrial control interface cards	\$ 887,396	\$ 849,177
Others	<u>136,864</u>	<u>96,954</u>
Total	<u>\$ 1,024,260</u>	<u>\$ 946,131</u>

## 2. Contract Liability

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Contract liability	\$ 11,422	\$ 6,686	\$ 7,749

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

	<u>2024</u>	<u>2023</u>
Merchandise sales contract	\$ 6,260	\$ 5,581

## (18) Other Revenue

	<u>2024</u>	<u>2023</u>
Subsidy revenue	\$ 9,950	\$ 4,927
Miscellaneous revenue	1,435	957
Total	<u>\$ 11,385</u>	<u>\$ 5,884</u>

## (19) Other Gains and Losses

	<u>2024</u>	<u>2023</u>
Net foreign currency exchange gains (losses)	\$ 4,476	(\$ 182)

## (20) Additional information on the nature of expenses:

	<u>2024</u>		
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Employee benefits expenses	\$ 104,917	\$ 260,992	\$ 365,909
Depreciation expense	14,923	34,856	49,779
Amortization expenses	515	1,089	1,604
	<u>2023</u>		
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Employee benefits expenses	\$ 99,667	\$ 247,829	\$ 347,496
Depreciation expense	12,996	35,985	48,981
Amortization expenses	552	746	1,298

(21) Employee benefits expenses

	<b>2024</b>		
	<b><u>Operating costs</u></b>	<b><u>Operating expenses</u></b>	<b><u>Total</u></b>
Salary expenses	\$ 85,427	\$ 220,953	\$ 306,380
Labor and health insurance	9,629	19,371	29,000
Pension	3,838	11,325	15,163
Other employee benefits	<u>6,023</u>	<u>9,343</u>	<u>15,366</u>
	<u>\$ 104,917</u>	<u>\$ 260,992</u>	<u>\$ 365,909</u>

  

	<b>2023</b>		
	<b><u>Operating costs</u></b>	<b><u>Operating expenses</u></b>	<b><u>Total</u></b>
Salary expenses	\$ 80,070	\$ 208,415	\$ 288,485
Labor and health insurance	9,915	19,772	29,687
Pension	3,561	10,519	14,080
Other employee benefits	<u>6,121</u>	<u>9,123</u>	<u>15,244</u>
	<u>\$ 99,667</u>	<u>\$ 247,829</u>	<u>\$ 347,496</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 remuneration for directors and supervisors 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' and supervisors' 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' and supervisors' remuneration for 2023, as approved by the Board of Directors, are consistent with the amounts recognized in the 2023 financial statements.

Information on employee remuneration and director remuneration approved by the Board of Directors of the Corporation is available at the Market Observation Post System (MOPS).

(22) 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	\$ 28,749
Additional income tax on undistributed surplus	500	2,718
Prior year's income tax overestimation	( 596)	( 2,919)
Total income tax for the current period	<u>39,510</u>	<u>28,548</u>
Deferred income tax:		
Origination and reversal of temporary differences	( 11,130)	( 7,566)
Total deferred income tax	( 11,130)	( 7,566)
Income Tax Expense	<u>\$ 28,380</u>	<u>\$ 20,982</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
Share of other comprehensive income of associates accounted	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 tax rate on profit before tax	\$ 26,432	\$ 20,607
Income tax impact of adjustments in accordance with tax regulations	2,044	24
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>\$ 20,982</u>

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

	<b>2024</b>			
	<b><u>January 1</u></b>	<b><u>Recognized in profit or loss</u></b>	<b><u>Recognition in other comprehensive income</u></b>	<b><u>December 31</u></b>
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
Share of other comprehensive income of associates accounted	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:				
Changes in financial assets measured at fair value through other comprehensive income	<u>( 1,214)</u>	<u>-</u>	<u>89</u>	<u>( 1,125)</u>
Total	<u>(\$ 1,214)</u>	<u>\$ -</u>	<u>\$ 89</u>	<u>(\$ 1,125)</u>

	<b>2023</b>			
	<b><u>January 1</u></b>	<b><u>Recognized in profit or loss</u></b>	<b><u>Recognition in other comprehensive income</u></b>	<b><u>December 31</u></b>
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
Share of other comprehensive income of associates accounted	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:				
Changes in financial assets measured at fair value through other comprehensive income	<u>( 820)</u>	<u>-</u>	<u>( 394)</u>	<u>( 1,214)</u>
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 Company's profit-seeking enterprise income tax has been assessed and approved by the tax authorities up to the year 2022.



(25) Changes in liabilities from financing activities

	<b>2024</b>			<b><u>Total liabilities from financing activities</u></b>
	<b><u>Short-Term Debts</u></b>	<b><u>Long-Term Debts</u></b>	<b><u>Dividends payable</u></b>	
January 1	\$ 120,000	\$ 70,000	\$ -	\$ 190,000
Changes in cash flows from financing activities	( 90,000)	( 60,000)	( 63,966)	( 213,966)
Other non-cash changes	-	-	63,966	63,966
December 31	<u>\$ 30,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 40,000</u>

  

	<b>2023</b>			<b><u>Total liabilities from financing activities</u></b>
	<b><u>Short-Term Debts</u></b>	<b><u>Long-Term Debts</u></b>	<b><u>Dividends payable</u></b>	
January 1	\$ 70,000	\$ 32,000	\$ -	\$ 102,000
Changes in cash flows from financing activities	50,000	38,000	( 87,226)	774
Other non-cash changes	-	-	87,226	87,226
December 31	<u>\$ 120,000</u>	<u>\$ 70,000</u>	<u>\$ -</u>	<u>\$ 190,000</u>

**7. Related party transactions**

(1) Names and relationships of the related parties

<b><u>Name of the related party</u></b>	<b><u>Relationship with the Company</u></b>
ADVANCE AHEAD LTD.	Subsidiaries of the Company
ICP DAS INVEST LTD.	Subsidiaries of the Company
Shanghai Golden ICP DAS International Trade Co.,Ltd.	Second-tier Subsidiary of the Company
ICP DAS (Wuhan)	Second-tier Subsidiary of the Company
Yeh,Nai-Ti	The Company's Chairman
Chen,Ruei-Yu	The spouse of the Company's Chairman (Note)
Chairman, Supervisors, President, and Vice Presidents, who are the key management personnel of the Company	The Company's key management personnel

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

(2) Significant transactions with related parties

1. Operating Revenue

	<b>2024</b>	<b>2023</b>
Merchandise sales :		
Second-tier Subsidiary — Company	\$ <u>56,550</u>	\$ <u>55,018</u>

The selling price is based on the price offered to general customers and is determined through negotiation between both parties. The selling price is slightly lower than that for general customers. The payment term is 30 to 120 days after the end of the month, which is comparable to general customers.

## 2: Rent Expenses:

	<u>2024</u>	<u>2023</u>
Rent expenses		
Yeh,Nai-Ti	\$ 720	\$ 720

- (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 Company leased dormitories in Korea from the Chairman, Yeh Jer-Di, and deposited a guarantee of USD 350 thousand, which was recorded under other non-current assets.

## 3. Operating Expenses

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

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.

## 4. Receivables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts receivable:		
Shanghai Golden ICPDAS International Trade Co.,Ltd.	\$ 2,737	\$ 6,203
ICP DAS(Wuhan) Co.	-	1,178
Total	\$ 2,737	\$ 7,381

## (3) Compensation for the main management

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

## 8. Assets pledged as security

Details of the Company's assets pledged as collateral 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

1. 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.
2. As of December 31, 2024 and 2023, the Company has signed contracts for research and development projects, equipment payments, and plant construction with unpaid amounts of \$8,421 and \$13,557, respectively.

## 10. Losses due to major disasters

None.

## 11. Significant subsequent events

None.

## 12. Others

### (1) Capital management

The capital management objective of the Company's capital management is to safeguard the Company's ability to continue as a going concern, maintain 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 Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. The Company monitors its capital using a net debt-to-equity ratio, which is calculated by dividing total liabilities by total equity.

The Company'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 Company was as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Total liabilities	\$ 299,076	\$ 391,054
Total net value	1,328,728	1,273,656
Debt to equity ratio	23%	31%

(2) Financial instruments

1. Category of financial instruments

	<b><u>December 31, 2024</u></b>	<b><u>December 31, 2023</u></b>
<b><u>Financial assets</u></b>		
Financial assets measured at fair value through other comprehensive income		
Equity instrument investments elected to be designated	\$ <u>8,105</u>	\$ <u>16,307</u>
Financial assets at amortized cost/loans and receivables		
Cash and Cash Equivalents	\$ 107,368	\$ 27,726
Notes receivable	2,805	3,708
Accounts receivable (including related parties)	129,560	91,533
Refundable deposits	<u>11,869</u>	<u>11,304</u>
	<u>\$ 251,602</u>	<u>\$ 134,271</u>
	<b><u>December 31, 2024</u></b>	<b><u>December 31, 2023</u></b>
<b><u>Financial liabilities</u></b>		
Financial liabilities at amortized cost		
Short-Term Debts	\$ 30,000	\$ 120,000
Accounts payable	80,661	37,217
Other Payables	104,494	83,007
Long-term loans (including portions maturing within one year or one operating cycle)	<u>10,000</u>	<u>70,000</u>
	<u>\$ 225,155</u>	<u>\$ 310,224</u>

## 2. Risk management policies

- (1) The Company's daily operations are affected by a variety of financial risks, including market risk (comprising foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.
- (2) Risk management is carried out by the Finance Department of the Corporation in accordance with the policies approved by the Board of Directors. The Corporation's Finance Department is responsible for identifying, assessing and avoiding financial risks through close cooperation with the Corporation's 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 Company operates across borders and is exposed to foreign exchange risk arising from transactions in currencies other than the functional currency of the Company and its subsidiaries, primarily with respect to the U.S. dollar and the RMB. The exchange rate risk arises from future commercial trading and recognized assets and liabilities.
- B. The Company's management has set policies requiring the companies within the group to manage their foreign exchange risk against their functional currencies. The companies shall hedge their overall foreign exchange risk exposure through the corporate finance department.
- C. The Company engages in businesses involving certain non-functional currencies (the functional currencies of the Company and certain subsidiaries are New Taiwan Dollars, while the functional currencies of certain other subsidiaries are RMB), and therefore is affected by fluctuations in exchange rates. Information on foreign currency assets and liabilities with significant effects from exchange rate fluctuations is as follows:

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

<u>December 31, 2023</u>			
Carrying amounts			
	<u>Foreign currency</u>		
	<u>(NT\$ thousand)</u>	<u>Exchange rate</u>	<u>(NT\$)</u>
<b>(Foreign currency:Functional currency)</b>			
<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 Company is as follows:

<u>2024</u>			
<u>Foreign exchange net gain or loss</u>			
	<u>Foreign currency</u>		
	<u>(NT\$ thousand)</u>	<u>Exchange rate</u>	<u>Carrying amounts</u>
<b>(Foreign currency:Functional currency)</b>			
<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>(NT\$ thousand)</u>	<u>Exchange rate</u>	<u>Carrying amounts</u>
<b>(Foreign currency:Functional currency)</b>			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NT\$	\$ -	30.71	(\$ 878)

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

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

  

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

#### Price risk

The equity instruments exposed to price risk by the Company are those financial assets at fair value through other comprehensive income.

#### Cash flow and fair value interest rate risk

- A. The Company's interest rate risk primarily arises from long-term and short-term borrowings issued at floating interest rates, exposing the Company to cash flow interest rate risk. In 2024 and 2023, the Company's borrowings issued at floating rates were primarily denominated in NTD.
- B. The Company's borrowings are measured at amortized cost, and the interest rates are repriced annually according to the contract terms, exposing the Company to the risk of future market interest rate fluctuations.
- 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 Company's credit risk is the risk of financial loss resulting from customers or counterparties to financial instruments being unable to fulfill their contractual obligations, mainly arising from counterparties' inability to settle accounts receivable according to payment terms, and the contractual cash flows of debt instrument investments classified as measured at amortized cost, fair value through other comprehensive income, and fair value through profit or loss. And the contractual cash flows of debt instrument investments classified as fair value through other comprehensive income.
- B. The Company establishes credit risk management from a corporate perspective. For banks and financial institutions, only those with good credit ratings and no significant violations in recent times are accepted as trading partners. In accordance with the internal credit policies defined by the Company, each operating entity is required to conduct credit and risk analysis on each new customer before offering 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 recovery process, the Company writes off the amount of financial assets that cannot reasonably be expected to be recovered. The Company 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 indicators used by the Company to determine whether a debt instrument investment is 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 Company groups notes and accounts receivable from customers based on the customer rating characteristics and adopts the simplified approach of using a provision matrix to estimate expected credit losses.
- G. The Company 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%	0.0009%	0.0779%	0%	100%	
Total book value	\$ 131,627	\$ 757	\$ 10	\$ -	\$ 9	\$ 132,403
Allowance for losses	29	-	-	-	9	38
<u>December 31, 2023</u>						
Expected loss rate	0.0007%	0.0229%	8.5031%	0%	0%	
Total book value	\$ 93,815	\$ 1,438	\$ 27	\$ -	\$ -	\$ 95,280
Allowance for losses	39	-	-	-	-	39

- H. The movement of the Company's allowance for doubtful accounts using the simplified approach is as follows:

	<u>2024</u>	
	<u>Notes receivable</u>	<u>Accounts receivable</u>
January 1	\$ 37	\$ 2
Impairment loss (reversal)	( 8)	7
December 31	<u>\$ 29</u>	<u>\$ 9</u>
	<u>2023</u>	
	<u>Notes receivable</u>	<u>Accounts receivable</u>
January 1	\$ 42	\$ 55
Impairment loss (reversal)	( 5)	( 53)
December 31	<u>\$ 37</u>	<u>\$ 2</u>

### (3) Liquidity risk

- A. Cash flow forecasts are prepared by the operating entities of the Company and consolidated by the Company's finance department. The Company's finance department monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements, for example, currency restrictions.
- B. Any excess cash held by the operating entities, beyond working capital

management needs, will be remitted to the corporate Finance Department. The Company's Finance Department will invest the remaining funds in interest-bearing demand deposits, time deposits, money market deposits and marketable securities, the instruments selected have an appropriate maturity date or sufficient liquidity to meet the aforementioned forecasts and provide adequate working capital.

- C. The following table details the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The contractual cash flow amounts disclosed in the table below are undiscounted amounts. 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>
Short-Term Debts	\$ 30,000	\$ -	\$ -
Accounts payable	80,661	-	-
Other Payables	104,494	-	-
Long-term debts (due within 1 year)	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>
Short-Term Debts	\$ 120,000	\$ -	\$ -
Accounts payable	37,217	-	-
Other Payables	83,007	-	-
Long-term debts (due within 1 year)	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 Company without an active market belong to this level.

2. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, notes payable, accounts payable, other payables, and long-term borrowings approximate their fair values.

3. For financial instruments measured at fair value, the Company classifies based on the nature, characteristics and risks of the assets and liabilities and the fair value hierarchy levels, with relevant information as follows:

(1) The Company classifies assets and liabilities according to their nature, and the relevant information is as follows:

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

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

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

4. There were no transfers between the level 1 and 2 for the year ended December 31, 2024 and 2023.

5. There were no level 3 transfers for the year ended December 31, 2024 and 2023.

6. The Company's valuation process for fair value classification in Level 3 is managed by the management department, which is responsible for performing independent fair value verification of financial instruments. This is done by using independent source data to ensure that the valuation results are close to market conditions, confirming that the data sources are independent, reliable, and consistent with other resources, as well as making any other necessary fair value adjustments to ensure that the valuation results are reasonable.
7. 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:

<b>December 31, 2024</b>					
<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	\$ 8,105	Net asset value method	N/A.	N/A.	The higher the net asset value, the higher the fair value
<b>December 31, 2023</b>					
<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	\$ 16,307	Net asset value method	N/A.	N/A.	The higher the net asset value, the higher the fair value

8. The Group selects the evaluation model and evaluation parameters after careful evaluation, but the use of different evaluation models or evaluation parameters may lead to different evaluation results.

### 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**

N/A.

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

Note: In October 2023, due to the share swap merger, the number of shares held in the U.S. Texas company has changed, but the ownership ratio and company name remain the same.

**ICP DAS CO., LTD.**  
**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)

<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</u>
							<u>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.  
**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	ADVANCEAHEADLTD.	British Virgin Islands	Reinvestment enterprises	\$ 33,161	\$ 33,161	1,000,000	100	\$ 39,831	(\$ 13,134)	(\$ 13,134)	Subsidiary
The Company	ICPDASINVESTLTD.	British Virgin Islands	Reinvestment enterprises	100,682	100,682	3,200	100	51,243	( 5,012)	( 4,782)	Subsidiary

ICP DAS CO., LTD.  
**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</u>	<u>China</u>	<u>Main business activities</u>	<u>Paid-in capital (Note 1)</u>	<u>Method of investment (Note 2)</u>	<u>Amount of investment</u>		<u>Income for the current period invested entity</u>	<u>The shareholding ratio invested directly or indirectly by the Company</u>	<u>Investment profit or recognized for the current period (Note 3)</u>	<u>Period-end investment amount carrying</u>	<u>Investment income repatriated as of the end of the current period</u>	<u>Note</u>
						<u>The cumulative amount of outward investment from Taiwan at the beginning of the current period</u>	<u>remitted or repatriated for the current period</u>						
Shanghai Golden ICP DAS International Trade Co.,Ltd.			International trade of industrial computer controllers and interface cards, entrepot trade, trade among bonded zone enterprises, and trade agencies.	\$ 33,161	2(ADVANCEAHEADLTD)	\$ 33,161	\$ -	\$ -	\$ 33,161(\$ 13,134)	100(\$ 13,134)	\$ 39,831	\$ -	
ICP DAS (Wuhan)			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(ICPDASINVESTLTD.)	\$ 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).Others  
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.  
**DETAILS OF MAJOR SHAREHOLDERS**

December 31, 2024

**Table 5**

<u>Name of major shareholders</u>	<u>Shares</u>	<u>Shareholding ratio</u>
<u>Name of major shareholders</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.

ICP DAS CO., LTD.  
**CASH AND CASH EQUIVALENTS**

December 31, 2024

**Statement 1**

Unit: NT\$ thousand

<u>Items</u>	<u>Summary</u>	<u>Amount</u>	<u>Note</u>
Petty cash		\$ 468	
Cash in banks			
Demand deposits		102,528	
Foreign currency deposits USD 135 thousand at exchange rate 32.79		<u>4,372</u>	
Total		<u>\$ 107,368</u>	

**ICP DAS CO., LTD.**  
**ACCOUNTS RECEIVABLE**

December 31, 2024

**Statement 2**

Unit: NT\$ thousand

<b>Customer name</b>	<b>Amount</b>	<b>Note</b>
Non-Related Parties:		
H.P.	\$ 59,634	
L.T.	9,544	
I.U.	6,809	
S.T.	6,621	
Others	44,224	No individual customer balance exceeds 5% of the account balance
	126,832	
Less: Allowance for uncollectible accounts	( 9)	
	126,823	
Related Parties:		
Shanghai Golden ICP DAS International Trade Co.,Ltd.	2,737	
Total	\$ 129,560	

ICP DAS CO., LTD.  
INVENTORIES

December 31, 2024

**Statement 3**

Unit: NT\$ thousand

Items	Amount		Note
	Cost	Market price	
Raw materials	\$ 354,963	\$ 331,734	
Work in progress	152,759	310,961	
Finished good	173,832	327,357	
Subtotal	681,554	\$ 970,052	
Less: Allowance for inventory obsolescence and devaluation losses	( 180,263)		The item-by-item comparison method is used to evaluate the lower of cost or net realizable value.
Total	\$ 501,291		

**ICP DAS CO., LTD.**  
**INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD**

Ended December 31, 2024 and 2023

**Statement 4**

Unit: NT\$ thousand

<u>Name</u>	<u>Beginning balance</u>		<u>Additions during the period</u>		<u>Deductions during the period</u>		<u>Ending balance</u>			<u>Net equity</u>		<u>Situation of provision of guarantee or pledge</u>
	<u>Number of shares</u>	<u>Amount</u>	<u>Number of shares</u>	<u>Amount</u>	<u>Number of shares</u>	<u>Amount</u>	<u>Number of shares</u>	<u>Shareholding ratio</u>	<u>Amount</u>	<u>Unit price (NTD)</u>	<u>Total</u>	
ADVANCEAHEADLTD.	1,000,000	\$ 49,214	-	\$ -	-	(\$ 9,383)	1,000,000	100%	\$ 39,831	\$ 40	\$ 39,831	None
ICPDASINVESTLTD.	3,200	54,117	-	-	-	( 2,874)	3,200	100%	51,243	16,013	51,243	None
		<u>\$ 103,331</u>		<u>\$ -</u>		<u>(\$ 12,257)</u>			<u>\$ 91,074</u>			

ICP DAS CO., LTD.  
**ACCOUNTS PAYABLE**

December 31, 2024

**Statement 5**

Unit: NT\$ thousand

<u>Name</u>	<u>Amount</u>	<u>Note</u>
<hr/>		
Non-Related Parties		
N.P.	\$ 16,198	
C.Y.	7,996	
Others	<u>56,467</u>	No individual supplier balance exceeds 5% of the account balance
	<u>\$ 80,661</u>	

ICP DAS CO., LTD.  
**OPERATING REVENUE**

2024

**Statement 6**

Unit: NT\$ thousand

<u>Items</u>	<u>Quantity</u>	<u>Amount</u>	<u>Note</u>
Remote controllers, industrial computer interface cards, etc	272 (Unit: Thousand pieces)	\$ 888,540	
Others		137,158	
		<u>1,025,698</u>	
Less: Sales returns		( 940)	
Sales discounts and allowances		<u>( 498)</u>	
Total		<u>\$ 1,024,260</u>	

ICP DAS CO., LTD.  
OPERATING COSTS

2024

**Statement 7**

Unit: NT\$ thousand

<b>Items</b>	<b>Amount</b>
Beginning materials	\$ 451,936
Plus: Materials purchased during the period	228,288
Work in process transferred to materials	5,858
Raw materials inventory overage	1
Others	136
Less: Transferred to expenses	( 13,886)
Cost of materials sold	( 5,650)
Ending materials	( 354,963)
Materials consumed during the period	311,720
Direct labor	42,720
Overhead	112,565
Manufacturing costs	467,005
Add: Beginning work in process	134,202
Semi-finished goods purchases	( 3)
Semi-finished goods inventory shortage	( 1)
Finished goods transferred to work in process	28,612
Others	3,195
Less: Ending work in process	( 152,759)
Work in process transferred to materials	( 5,858)
Transferred to expenses	( 967)
Cost of semi-finished goods sold	( 4,234)
Transfer in Other operating costs	( 33,149)
Cost of finished goods	436,043
Beginning finished goods	177,085
Add: Finished goods purchased	301
Less: Finished goods transferred to work in process	( 28,612)
Transferred to expenses	( 2,312)
Ending finished goods	( 173,832)
Cost of sales and services	408,673
Other operating costs	
Cost of materials sold	5,650
Cost of semi-finished goods sold	4,234
Inventory loss from price decline	46,053
Inventory shortage	2
Unallocated fixed manufacturing overhead	33,149
Operating costs	\$ 497,761

ICP DAS CO., LTD.  
**OPERATING COSTS**

2024

**Statement 7**

Unit: NT\$ thousand

ICP DAS CO., LTD.  
**OPERATING EXPENSES**

2024

**Statement 8**

Unit: NT\$ thousand

<u>Items</u>	<u>Summary</u>	<u>Amount</u>	<u>Note</u>
Selling expenses			
Wages and salaries		\$ 44,048	
Advertisement expenses		12,510	
Export expenses		5,825	
Other Expense		25,360	
		87,743	
General & administrative expenses			
Wages and salaries		38,567	
Depreciation expense		22,923	
Services expenses		5,720	
Others		21,941	
		89,151	
R & D Expense			
Wages and salaries		138,338	
Depreciation expense		10,619	
R & D Expense		14,139	
Expense		50,858	
		213,954	
Reversal gain of expected credit impairment		( 1)	
Total operating expenses		\$ 390,847	

ICP DAS CO., LTD.  
**SUMMARY OF EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY FUNCTION FOR THE  
CURRENT PERIOD**

2024

**Statement 9**

Unit: NT\$ thousand

Classification of Function Classification of Nature	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expenses						
Salary expenses	85,427	215,593	301,020	80,070	205,176	285,246
Labor and health insurance	9,629	19,371	29,000	9,915	19,772	29,687
Pension	3,838	11,325	15,163	3,561	10,519	14,080
Director Remuneration	-	5,360	5,360	-	3,239	3,239
Other Employee Benefits Expenses	6,023	9,343	15,366	6,121	9,123	15,244
Depreciation expense	14,923	34,856	49,779	12,996	35,985	48,981
Amortization expenses	515	1,089	1,604	552	746	1,298

Note:

1. The number of employees for the current year and the previous year was 389 and 401 respectively, among which the number of non-concurrent employees serving as directors was 4 and 4 respectively.
2. For companies whose stocks are listed and traded on a stock exchange or over-the-counter securities exchange, they should disclose the following additional information:
  - (1) The average employee benefit expense for the current year is \$ 936 ('Total employee benefit expenses for the current year - Total directors' remuneration' / 'Total number of employees for the current year - Number of directors who are not also employees').  
The average employee benefit expense for the previous year was \$867 ([Total employee benefit expense for the previous year - Total directors' remuneration] / [Number of employees for the previous year - Number of directors who are not also employees]).
  - (2) The average employee compensation cost this year was \$782 (Total compensation cost this year / [Number of employees this year - Number of non-employee directors]).  
The average employee salary expense of the previous year was \$719 (total salary expense of the previous year / ["number of employees in the previous year - number of directors who are not concurrent employees"]).
  - (3) Average employee salary expense adjustment change of 9% (["Average employee salary expense for the current year - Average employee salary expense for the previous year"] / Average employee salary expense for the previous year).
  - (4) Please state the company's salary and compensation policy (including directors, supervisors, managers, and employees)
    - A. In accordance with the provisions of the Company's Articles of Incorporation, the compensation for directors and supervisors is authorized to the Board of Directors to grant based on their degree of participation and the value of their contributions to the Company, regardless of operating profit or loss, at a level that is in line with industry standards.
    - B. For information on remuneration to directors and supervisors as well as employee compensation, please refer to Note 6(21).
    - C. The salary compensation for managers and non-supervisory employees is determined based on different job positions, job grades, and years of service.
      - (a) The remuneration of managers shall be approved by the Chairman and submitted to the Remuneration Committee for review.
      - (b) The salary and compensation of non-managerial employees shall be proposed by the department head to the administrative vice president and approved by the general manager.